



Death of the salaryman
'The honour and glory of total devotion is seen as almost mindless mediocrity. He is a misfit'



Lovable slugger
'I will probably die an absolute pauper but I will have had a hell of a time'



Back to Vietnam
'We stood in the dusk of the temple, listening to a venerable bonze as he said his prayer'



Murderous melting pot
'If I had a derringer in my handbag I might have shot him between the eyes, such was my crossness'

Page I

Page IX

Page XVIII

Page XXIV

<http://www.FT.com>

German turmoil over gold plan

By Peter Norman in Bonn

Germany's three opposition parties yesterday called for the resignation of Mr Theo Waigel, the German finance minister, over the government's controversial plan to revalue the Bundesbank's gold and currency reserves. But Mr Waigel assured an unusually raucous special session of parliament that the plan to realise a capital gain from the reserves to help smooth Germany's way towards European economic and monetary union was not "creative accounting" but "acceptable and legitimate". He said the operation would be carried out with "all due caution" to guarantee the financial solidity of the German central bank. Mr Waigel, who at the end of this month will become the longest serving finance minister in Germany's post-war history, was shown no mercy by the opposition in the Bundestag, the lower

house. In a passionate speech, Ms Ingrid Mattaus Maier, the opposition Social Democrats' budget expert, told the packed chamber that Mr Waigel's disclosure on Thursday of a DM118bn (\$69bn) shortfall in budgeted revenues between now and 2001, and his plan to draw on some of the DM60bn of locked up value in the Bundesbank's gold and currency reserves to reduce the public deficit and debt, had plunged Germany into "unprecedented financial chaos". However, Chancellor Helmut Kohl strongly backed the finance minister, saying his European partners would support the move to raise money from the Bundesbank because they knew that "without Germany, the euro will not work". European Commission officials in Brussels said the move should remove all doubt about Germany's commitment to meeting the EMU criteria. In Italy, where the

struggle to meet the criteria has been intense, there was relief that Germany too had been forced to acknowledge difficulties. The funds would be paid by the Bundesbank in the form of an extraordinary profit into the "redemption fund for historic burdens". There they would offset other public deficits to ensure that Germany's overall deficit stayed below the limit set by the Maastricht treaty's criteria for EMU membership of 3 per cent of gross domestic product. Mr Waigel also outlined more planned privatisations beyond the sale of further Deutsche Telekom shares. These included the postal savings bank, two public housing companies, the federal stakes in Frankfurt, Hamburg and Cologne-Bonn airports and a chain of motorway service centres.

Waigel gambles with reputation, Page 2

Tension rises in Zaire as Mobutu flees



Opposition supporters in Zaire's capital, Kinshasa, cheer on hearing that president Mobutu Sese Seko yesterday surrendered power after 32 years in office. The capital remained tense as it waited for a takeover by Laurent Kabila's rebel alliance. The president officially left on an internal flight but is believed to be heading for exile. Report, Page 4

Blair launches radical N Ireland initiative

By John Kampner in London and John Murray Brown in Belfast

British officials are to resume contact with Sinn Féin, Mr Tony Blair, the UK prime minister, announced yesterday, in a radical attempt to revive progress towards a political settlement for Northern Ireland. Mr Blair warned the IRA's political wing he was giving them one chance to participate in the talks process. His speech was calibrated to appeal to majority Unionists and minority nationalists alike. He appealed to the Irish government to drop its constitutional claims to Ulster before a deal was reached. "Unionists have nothing to fear from a new Labour government," Mr Blair told business and community leaders in Belfast. "A political settlement is not a slippery slope to a united Ireland."

Mr Blair said he did not expect to see Northern Ireland outside the UK in his lifetime. However, nationalists' concerns could be met by establishing cross-border institutions that would give Dublin a greater say in the North's affairs. "The settlement train is leaving," he warned Sinn Féin. "I want you on that train. But it is leaving anyway, and I will not allow it to wait for you. You cannot hold the process to ransom any longer."

Peace: a chance, Page 5
Editorial Comment, Page 6
Good start, Page 6

Jospin treads lightly round the European question

By David Owen in Paris

Emmanuel had to wait a long time for the answer to what was, all things being considered, a simple enough question. "The Europe of the Socialists is what?" asked the young woman at the start of a set-piece rally for youth in a hangar-like concert hall at the futuristic Parc de la Villette in north-east Paris. Nearly an hour later, Mr Lionel Jospin, the Socialist leader, had spoken a great deal about the need to make

a priority of education and training. He had inveighed against the broken promises and "affaires" of the right. He had even promised to lower VAT on records. But he was still no closer to satisfying Emmanuel's curiosity. That came the moment. Yes, the Socialist party was the party of Europe - but not of any old Europe. No, it would not consent to a Europe that would break up France. Yes, it wanted a Europe that was open to the world

and neither dominating nor imperial. And that, more or less, was that. With a deft linking reference to "the people of the third world", Mr Jospin was off, rhetorically speaking, to the dark continent and an admittedly unexpected promise to "transform France's African policy". In a speech that was about an hour long, he had devoted a minute or less to Europe, in spite of a direct request to set out his position. His performance helps

explain why many disgruntled French voters appear to be concluding that electing a Socialist government would not lead to significant change on this potentially central issue. Many grumpily blame the centre-right and its single-minded push to meet the Maastricht criteria for European monetary union as the cause of their stagnant living standards and France's moribund economy and record unemployment. Yet no leader of the party of François Mitterrand and

Jacques Delors could full-bloodedly condemn the policy, no matter how popular - and populist - it might be. Instead, Mr Jospin offers a weak form of Euroscepticism, ruling out a new set of austerity measures as a means of achieving Maastricht's budget deficit criterion of 3 per cent of GDP without calling into question the overall policy goal. The rally gave an insight into Mr Jospin's campaigning style, as he struggles to overcome the right's huge parliamentary majority. It

was a workmanlike but uninspiring performance from a man in a grey suit. The Socialist leader is a fluent and accomplished speaker, but there is a touch of the automation about him. Instead of basking in his first burst of sustained applause, he used it as an opportunity to remove his wristwatch and lay it aside his speaking notes. None of this worried the hundreds of placard-waving acolytes whose premature victory chants reverberated into the muggy Paris night.

Nevertheless a straw poll of those present uncovered as many prospective Green voters as Socialists for the first round of the elections on May 25. If Mr Jospin cannot win over such a sympathetic audience on the warmest evening of the year, he faces an uphill struggle to win the votes of enough of the increasingly sceptical and morose French electorate to bring the left back to power.

Government's election nerves, Page 2

News General

Clinton hails budget deal

A formal agreement between the White House and Republican leaders in Congress on halving the budget by 2002 has laid the ground for the US economy to continue to surge ahead, President Bill Clinton said yesterday. "Only by finishing the job of putting our fiscal house in order could we keep our economy thriving for all Americans," an ebullient Mr Clinton added. He also assured Democratic supporters that the deal, which clarifies and consolidates a verbal understanding reached two weeks ago, kept intact his plans for spending on education. Page 3

Sino-French accord likely to upset US China and France have signed a joint declaration aimed at forging a closer partnership to promote political and economic interests and counter US influence. France's decision to lend its name to a communiqué opposing US domination seems likely to irritate Washington. Page 3

Nomura focus hints at shift Japanese media glee over the arrest of three former Nomura executives for alleged payments to extortionists may signal a shift in national attitudes to corporate reform amid suggestions that other securities companies and banks had similar *sokaiya* links. But there remains little discussion of corporate Japan's deep reluctance to provide information to shareholders, which is at the heart of the problem. Page 7

A lifejacket for surfers Internet users are not surfing but drowning. The average time spent at a site is reckoned at three minutes, suggesting the Internet is proving a frustrating experience for users. About a quarter of Americans who have tried it are no longer current users, according to market researchers FIND/SVP. Page 7

Grappling with Russia's mightiest company

As Mr Boris Nemtsov, Russia's energetic first deputy prime minister, tells it, this week's explosive confrontation between the government and Gazprom, was triggered by his discovery of a secret management agreement governing relations between Gazprom and the state. "But this is theft," thundered President Yeltsin, when details of the agreement were explained to him.

A behemoth tamed, Page 7

News Business

Ebner's Winterthur stake

Switzerland's best-known corporate predator Martin Ebner has spent more than \$71bn (\$700m) to acquire a 14.5 per cent stake in Winterthur, the country's third-biggest insurer, whose performance has lagged behind that of its bigger Swiss rivals. BK Vision and Stillhalter Vision, two publicly quoted investment funds controlled by Mr Ebner, acquired the 14.5 per cent stake since the start of the year. Page 24

Eurotunnel dividend in 2006? Eurotunnel, operator of the English Channel tunnel, is hoping to pay its first dividend in 2006 if a \$5.5bn (\$1.8bn) restructuring is approved by its shareholders and bankers. Documents to be sent to shareholders this month are expected to show the company hopes to break into profit by 2005 or 2006. Analysts say if revenues fail to grow as expected, a dividend could be delayed until 2011. Page 24; "Arson" hint, Page 6

BP \$1bn solar energy drive British Petroleum, regarded as one of the more environmentally aware oil companies, will on Monday announce a plan for a massive increase in sales of solar energy-generating technology from \$100m to \$1bn over the next decade. Chief executive John Browne will unveil the target in a speech at Stanford University in California on global warming. Page 24

European stocks set new highs on low interest rates European stock markets set six record highs, though an initial bout of weakness on Wall Street took some of the shine off bourses. Among the winners was London, where the FTSE 100 index set an intra-day peak of 4,728.7 and a closing high of 4,683.9. Low interest rates and the prospect of economic recovery have been pushing European markets ahead, though there is some nervousness about knock-on effects from Wall Street if the Fed raises US interest rates. Lex, Page 24; World stocks, Page 20

Coffee prices feed through to the shops A sharp rise in world coffee prices is beginning to hit consumers as retailers and manufacturers pass on their costs. UK coffee retailer Whitbread put its prices up by 14 per cent. Dore's Egberts, the Dutch manufacturer, raised its prices in France, while the German coffee industry association DEK warned that retail rises looked inevitable. Page 18

Contents

World	24	Companies	22-23	Managed funds	11-18
International News	24	Commodities & Finance	22-23	Money markets	9
UK News	5	FTSE 100	17	Oil trading date	11
Weather	54	FTSE 100	17	Recent issues	17
Lex	24	FTSE 100	17	Show information	18-19
		Foreign exchanges	8	World commodities	8
		Gold markets	23	Wall Street	20-21
		Equity options	17	Buzzes	20-21
		Latent	17	Weekend FT	Section 8
		US clearing	21		

Chopard
GENÈVE
depuis 1867

Collecting
CLASSIQUE HOMME
The timeless line of watches of perfection
has been since 1867

The refined extra-thin model with automatic movement, power reserve up to 1 day, with date and small seconds hand (Ref. 1612/23). In 18K yellow gold, rose gold or platinum. Available at leading watch specialists worldwide. London: Chopard Boutique, 14 Ave. Bond Street, Tel: 01753 691110. For further information, catalogues and stockists, please call 01753 691110.

Clinton pulls off budget success

By Bruce Clark
in Washington

A formal agreement between the White House and Republican leaders in Congress on balancing the budget by 2002 has laid the ground for the US economy to continue to surge ahead, President Bill Clinton said yesterday.

"Only by finishing the job of putting our fiscal house in order could we keep our economy thriving for all Americans," an ebullient Mr Clinton said.

Mr Clinton also assured Democratic supporters that the deal, which clarifies and consolidates a verbal understanding reached two weeks ago, kept intact his plans for educational spending.

The agreement, which will now be subject to detailed wrangling in the House and Senate budget committees, caps a week of domestic and foreign policy success for the president, including a landmark deal between Russia and Nato.

The budget deal represents a tactical success for the president. It guarantees that a net tax cut of \$85bn will include \$35bn in deductions and credits that will help families pay for higher education.

Republicans, for their part, were able to nail down some of the tax reductions which their supporters have strongly demanded - a \$500 per child tax credit, a "broad-based permanent" reduction in capital gains tax and relief from inheritance taxes.

But the deal leaves the president with \$32bn in discretionary spending for domestic policy initiatives, and puts a ceiling of \$250bn on the total net tax cut over the next decade.

Scipities had argued that even if this month's informal deal was successfully implemented, the budget was bound to dip into the red again after 2002 because of



Clinton yesterday: putting fiscal house in order

over-zealous tax cuts.

Solid economic growth was underlined by news yesterday that housing starts rose by 2.6 per cent in April to give an annual, adjusted level of 1.47m, in excess of market expectations.

However, there was a sharp regional variation, with starts jumping 11.3 per cent in the south but falling by 7.4 per cent in the north-east, against a background of fears among builders that the Fed may nudge interest rates higher.

Mr Clinton said the success of the five-year economic strategy he launched in 1993 was "no longer subject to reasonable debate" - with unemployment at its lowest level for 24 years and the slowest inflation for 30 years.

But the president, apparently feeling vulnerable to charges of a sell-out from liberals, said the budget deal, despite shaving \$130bn from health spending, did not mean sacrificing social and quality-of-life ideals.

He said the agreement included welfare-to-work tax credits, provisions to clean up 500 toxic waste sites, support for community-service jobs in areas of high unemployment and promoting literacy and computer skills among the young.

Closer partnership between Beijing and Paris seen as seeking to counter Washington's influence

Sino-French accord likely to upset US

By Tony Walker in Beijing

China and France yesterday signed a joint declaration aimed at forging a closer partnership to promote political and economic interests and counter US influence.

France's decision to lend its name to a communiqué opposing US domination seems likely to irritate Washington, which may be concerned about implications for the western alliance.

This is Beijing's second such joint declaration in a

month. China and Russia signed a strategic partnership agreement in April that used similar language.

China and France pledged to "engage in reinforced co-operation... to foster the march toward multipolarity... and to oppose any attempt at domination in world affairs."

"At the dawn of the 21st century, the time has come for France and China to (build) a long-term global partnership aimed at moving French-Chinese relations into a new phase of develop-

ment," the statement said. The communiqué did not mention the US directly, but the implication is clear. China's interest in drawing countries such as France into a closer partnership is based partly on a desire to counter US pressure on human rights and trade.

Mr Jacques Chirac, the French president, and President Jiang Zemin of China signed the declaration. It followed a conclusion on Thursday by French companies of agreements worth about \$2bn, including the sale of 30

Airbus airliners for \$1.5bn. France's aggressive attempts to advance its commercial interests in China, including its decision to soft-pedal its opposition to human rights abuses, set the stage for the flow of contracts.

Western officials in Beijing were sceptical of the joint declaration, saying the wording was "grandiloquent" and had little practical value. One diplomat described the document as "empty".

But Chinese officials say the accord, the "joint French-China declaration for

a global partnership", will construct a "framework" for consultations and closer co-operation. The agreement provides for annual ministerial-level consultations, "closer consultation" between permanent representatives at the United Nations, and regular meetings between senior officials.

The two sides also pledged to improve access for their products to each other's markets, and to co-operate to improve the environment, combat drug trafficking and support the further

liberalisation of trade.

The communiqué made brief reference to differences on human rights, saying that both sides should respect the universality of human rights "while at the same time taking fully into account particularities on all sides".

However, France "noted with satisfaction" China's decision to sign the UN covenant on Economic, Social and Cultural Rights and to consider acceding to the UN covenant on Civil and Political Rights.

India plans controls on foreign broadcasters

By Mark Nicholson
in New Delhi

India yesterday outlined plans to bring foreign satellite television under regulatory control.

The world's second most populous country receives more than 30 satellite channels, most of them originating from Hong Kong or Singapore.

Mr Jaipal Reddy, information and broadcasting minister,

announced a draft law establishing a new regulatory regime for broadcasting. The law would set up an independent statutory broadcasting authority to enforce and monitor the new rules.

It would also limit cross-media ownership to a 20 per cent stake and restrict foreign broadcasters to minority holdings in Indian TV ventures.

Almost all foreign satellite channels, such as Mr Rupert Murdoch's Star TV, would

have to originate broadcasts from within India, and would need a licence to do so.

Mr Reddy said the aim was to put controls on satellite channels which had been "beaming their programmes through the Indian skies to our people" without "any regulation through the law of our land".

US and British broadcasters have lobbied fiercely against the proposals. Both

the British and US ambassadors this week approached Mr Reddy about the bill.

A 15-strong group of broadcasters, including the US sports channel ESPN, CNN, MTV, News Television India (Star TV), and Turner International, meets tomorrow to discuss the bill. The group is preparing an alternative draft law which it is to present to the government.

Mr Reddy said this week

the aim was "not to ban foreign channels or make it difficult for them, but to regulate". The bill now goes before a parliamentary committee as a "working draft".

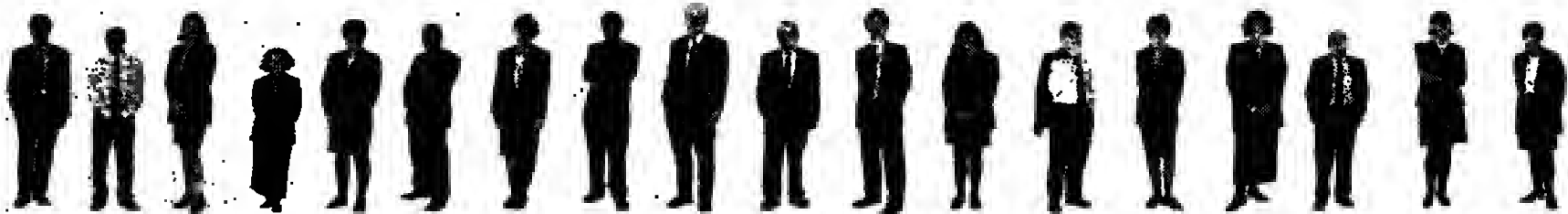
The bill allows exceptions for channels which carry no charges or advertising or which are devoted to sport or news.

The new law would also require broadcasting to home satellite dishes, such as Star TV's India Sky

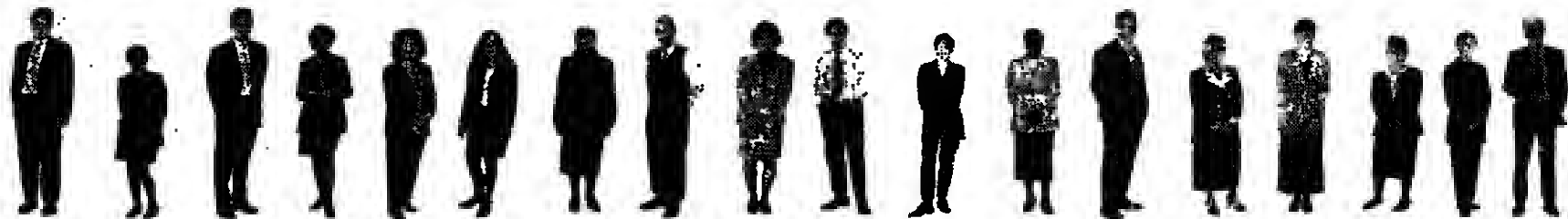
Broadcasting, to be licensed. About 27m Indians are believed to have access to satellite TV.

Mr Reddy said the new law was designed to meet concerns about unregulated television and the denial of a level playing field to Indian broadcasters.

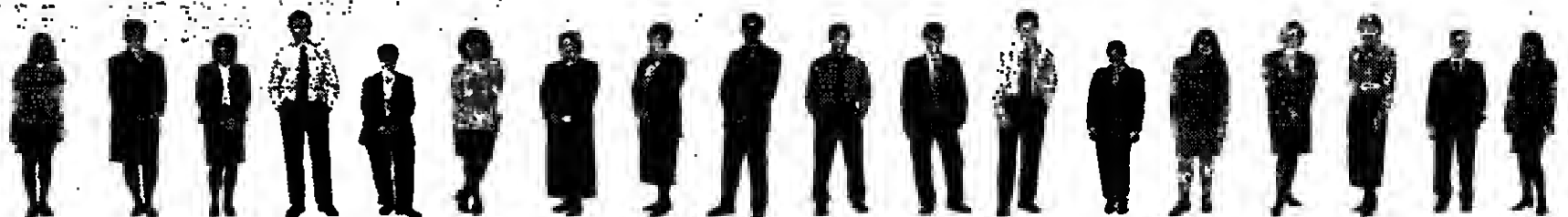
He said the law would supersede the "totally inadequate" 112-year-old Indian Telegraph Act, the sole legislation in the area.



30 Specialist Practice Groups



Offices in 9 Countries



150 Partners



1300 Staff

On May 1, as the country looked to its future, we were doing much the same.

By merging the two leading law firms Cameron Markby Hewitt and McKenna & Co into a new critical mass that instantly ranks as the 8th largest law firm in Europe.

The new firm is named Cameron McKenna and the "fit" has already been reported as being exceptionally good for clients.

From Day One Cameron McKenna is a major corporate and banking practice, and a leading City presence in property and litigation.

It also offers in one firm a market leader expertise in many of the world's most dynamic commercial sectors.

Including energy, insurance, biotechnology, healthcare and construction.

As well as major infrastructure projects, financial services regulation, and pensions.

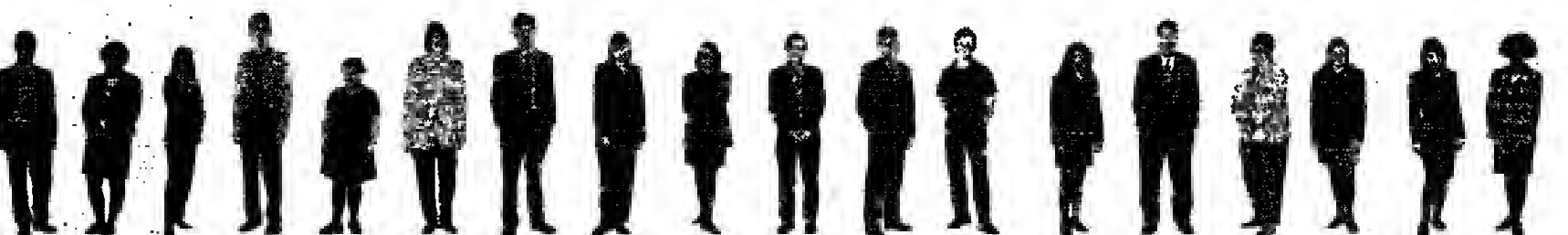
In short, as flying starts go this one can already be said to have taken off.

Particularly for clients who prefer not to pay for learning curves.

For more information please call Robert Derry-Evans, Managing Partner on 0171-367 3000.

cameron mckenna

Not bad for a first day



Templeton
Templeton Global Strategy Funds
Société d'investissement à capital variable
26, boulevard Royal, L-2449 Luxembourg
R.C. B 35 177

Shareholders of Templeton Global Strategy Funds (the "Company") are hereby informed that the Board of Directors of the Company has determined that, in accordance with Article 28 of the Articles of Incorporation of the Company, the Templeton Global Credit Fund and the Templeton Global Balanced Fund (the "Funds") will be merged, the former being closed down by contributions into the latter, with effect from June 16, 1997 (the "Merger Date").

The Board of Directors of the Company considers that this merger is justified both legally and economically and is in the best interest of the Shareholders. Indeed, the merger will, inter alia, contribute to improved economic administration and it is expected that the combination of these two Funds will result in an increase of the net assets of the Fund.

As a result of the merger, the investment objective of the Fund will be amended. After the Merger Date, its main features will be as follows:

- The investment objective of the Fund will be to seek capital appreciation and current income, consistent with prudent investment management, by investing principally in equity and corporate debt securities and, to a lesser extent, government securities issued by entities throughout the world. The Investment Manager (see below) anticipates that the majority of the Fund's portfolio will normally be invested in equity or equity-linked securities, including debt or preferred stock, convertible or exchangeable into equity securities, selected primarily on the basis of their capital growth potential.
- The Fund will seek income principally by investing in fixed or floating rate securities, and debt obligations of government, government-related and corporate issuers in countries around the world. The Fund may purchase U.S. Dollar and non-U.S. Dollar denominated equities, fixed income securities and debt obligations. The base currency of the Fund will be U.S. Dollars.
- It is anticipated that under normal circumstances distributions will be made quarterly in the case of the Shares relating to the Fund.
- Templeton Investment Management Limited will act as investment manager (the "Investment Manager") in the Fund.
- The Investment Manager will receive from the Company a monthly fee equivalent to 1.25 % per annum of the Fund's average daily net assets during the year.
- The Shares of the Fund will be offered as Class A Shares and will be available as requested and bearer form.

Shareholders who do not concur with this change, may, from May 16, 1997 and until the Merger Date, continue to request, free of charge, the redemption of their Shares of the Fund or the exchange of such Shares into Shares of other Funds of the Company, details of which can be found in the current Prospectus approved by the Luxembourg authorities. Shareholders have obtained recognition for marketing in the Shareholders' periods (a.o.).

Templeton Global Advisers Limited will bear the costs associated with the merger.

For further information, Shareholders are invited to contact their nearest Templeton office:

Edinburgh	Frankfurt	Hong Kong	Luxembourg
Tel: (01876) 232 23 23	Tel: (069) 277 7733	Tel: (852) 2877 7733	Tel: (352) 46 66 67 22
Telex: 320000	Fax: (069) 277 22 12	Fax: (852) 2877 5401	Fax: (352) 22 21 60
London	Madrid	Paris	Stockholm
Tel: (44) 171 367 3000	Tel: (34) 91 400 4000	Tel: (33) 1 47 47 47 47	Tel: (46) 8 33 33 33

The Board of Directors

The Financial Times plans to publish a Survey on

Management Buyouts

on Friday, May 30

For further information, please contact:

Alan Cunningham
Tel: +44 171 873 3206
Fax: +44 171 873 4296

or your usual Financial Times representative

FT Surveys

Insurance market recommends 'external oversight' by Securities and Investment Board Lloyd's urges end to its self-regulation

By Christopher Adams,
Insurance Correspondent

Lloyd's of London has recommended that it should be regulated by the Securities and Investments Board in the most radical proposals yet from a wide ranging review of its operations.

Such a move would require the government to pass new legislation. Under existing law, Lloyd's regulates itself.

In a report published yesterday, the insurance market also urged the government to give the Depart-

ment of Trade and Industry wider powers. It suggested that the department should have the power to take action earlier if the financial position of Lloyd's was threatened.

The proposed changes reflect Lloyd's own determination to prevent a recurrence of the legal and financial problems of recent years which nearly destroyed it. Only last September did it manage to reinsure over £11bn (\$17.5bn) of old losses into a new company called Equitas.

"It would be healthier for every-

body if there was further external oversight of what we're doing," said Sir David Rowland, chairman of Lloyd's. "We have to have proper heed to external accountability."

However, it is likely to be several years before the new legislation required is in place and Lloyd's has suggested interim measures to carry it through that intervening period. These include drafting a representative of the SIB to sit temporarily on Lloyd's own ruling council and allowing Lloyd's to "shadow" any new regime pro-

posed by the government.

The Labour government has said nothing since it came to power about how Lloyd's might be regulated in the future. While in opposition, the Labour party was thought to favour some external oversight and was expected to address this when reviewing the Financial Services Act. Sir David Simon, former chairman of BP, is the new government minister at the DTI responsible for insurance.

Lloyd's also addressed concerns among its professional members that compliance costs were too

high. It said that the reporting burden on underwriting agencies in the market should be reduced. Some of these businesses spend 15 per cent of their total revenue to meet the regulatory demands of Lloyd's.

Sir Alan Hardcastle, who chaired the working group which produced the proposals, said the SIB was a suitable choice because it had experience of regulating markets and looking after the interests of investors. Many of Lloyd's backers are individuals called Names who trade with unlimited liability.

Constraints on Post Office may be eased

By Andrew Bolger
and George Parker

The government yesterday announced an immediate review of options for giving the Post Office greater commercial freedom.

Mr Ian McCartney, trade and industry minister, said the state-run service had been "held back" from developing its full potential.

"The Post Office has been forced to stand by whilst foreign competitors, such as the Dutch Post Office, have had the freedom to forge ahead and position themselves to take advantage of the new opportunities," he said.

The government planned to remove "unnecessary and damaging shackles" from the Post Office while "ensuring" that competition between the Post Office and the private sector takes place on a fair and transparent basis.

The Post Office welcomed the announcement. Its top priority is to be allowed to enter joint ventures with airlines and other transport companies, and to borrow money without the constraints of the government's public sector borrowing requirement.

Managers would also like to escape from public sector pay policies, which they say have prevented them from rewarding their employees on a commercial basis. Future developments could include the launch of a printing and distribution service.

However, the Treasury will be cautious about how much freedom is granted to the Post Office, which remits nearly £1m (\$1.62m) of profits a day to government coffers.

Private competitors such as TNT, DHL and UPS will also be quick to protest if they consider the public sector giant is being allowed to use its monopoly strength to compete unfairly.

The review was initiated by the Department of Trade and Industry, although the Treasury said it supported the case for greater commercial freedom.

Both management and unions at the Post Office are confident that they can make a case for granting more commercial freedom, which would also guarantee the Treasury continuing revenues from the business.

The review is bound to consider the future of the Parcelforce offshoot of the Post Office. Parcelforce is the biggest operator in Britain's £1.5bn parcels industry, with a market share of about 30 per cent. It broke even last year after five successive years of losses. However, it competes with more than 4,000 private couriers in a market already suffering from overcapacity.

As part of the review, the Post Office agreed to suspend its controversial programme of closing big post offices and replacing them with franchised offices, often sited inside big stores.

Blair gives peace another chance

On Northern Ireland visit, prime minister makes offer to political wing of the IRA

Mr Tony Blair must have taken a sharp intake of breath as he embarked on his first trip to Northern Ireland yesterday as prime minister.

The new incumbent was gracious to Mr John Major, his Conservative predecessor, saying that if there was an opportunity for progress "it is in large part thanks to him". In a disarming note of candour, Mr Blair added that after only a few days in office "I also begin to appreciate fully the scale of his effort".

Mr Major's endeavours founded when the IRA abandoned its 17-month ceasefire in February 1996. During the so-called peace process, he and his ministers sought to pave a straight line between nationalist and unionist opinion. It was a game of bluff and double-bluff, sometimes with secret meetings and missives and code words to smooth the way in negotiations.

Mr Blair, while maintaining the basic tenets of a policy that for two years has been bipartisan demonstrated in his speech in Belfast yesterday a different style.

Gone was the jargon, "decommissioning" - that cumbersome word intended to disguise a hand-over of terrorist weapons - was barely mentioned. No "Washington principles", no "framework documents", no Anglo-Irish agreements.

Mr Blair took a more emotional tack. He told Sinn

Sir David Fell is to succeed Sir Desmond Limer as chairman of Northern Bank, the Northern Ireland offshoot of National Australia Bank. John Murray Brown writes. Sir David is now head of the UK government's civil service in the region.

The favourite to replace Sir David is Mr Gerry Loughran, who is now permanent secretary (chief official) at the government's Northern Ireland Department of Economic Development. Mr Loughran, who is 55, would be the first Roman Catholic to hold the post.

Sir David was largely responsible for overseeing preparation of the current Fair Employment legislation, which has done much to redress the anti-Catholic bias in the workplace.

Féin that his officials would talk to them, and that his response to an end to violence would be quick.

Employing his characteristically didactic view of the individual's role in society, he warned that by its nature terrorism could achieve nothing save "death, destruction and the corruption of more young lives". He played to the generations, citing - in a mirror of President Bill Clinton's highly-acclaimed visit in 1995 to Northern Ireland - the legacy the present set of politicians owed their children.

Mr Blair began the first of

several walkabouts in Armagh, the so-called Cathedral City, chosen to reflect his desire to heed the views of both communities. He had time for 10 minutes with the Roman Catholic and Church of Ireland leaders, before moving on for a security briefing with Army and police chiefs.

"It was certainly better to see him so relaxed and open compared with other prime ministers who have arrived by helicopter and worn a flak jacket throughout," said Mr Conor Patterson, head of the NAWRY and Mourne Enterprise Agency. Mr Bob Stoker, a Belfast unionist councillor, said: "He's been very honest about his plans to talk with Sinn Féin. The previous government would have done it in secret."

Mr Blair did not exempt business leaders from criticism. Too many of them, he said, "hang back" from challenging sectarian bigotry. Mr Bill Tosh, the local CBI chairman, agreed, but said: "We're now changing that."

Mr Blair repeated many times that a settlement rested on the consent of the majority - that it would almost certainly enshrine the partition of the island of the past 80 years. He was appealing to Sinn Féin for reason. Yet, without the ultimate prize of a united Ireland, republicans may dismiss the invitation to join the mainstream.

John Murray Brown
John Kampfner



Watched by a piper, the prime minister talks to British soldiers at their base yesterday

Finance. Enrich your knowledge in just twelve weeks.

'Arson' hint in tunnel inquiry

By Charles Batchelor,
Transport Correspondent

An official French inquiry into the cause of the fire in the Channel tunnel between England and France last November is expected to conclude that arson was most probably to blame.

The inquiry, carried out by a judge in northern France, is understood to have ruled out a fault on the freight shuttle or on the lorry which was at the centre of the blaze.

Eurotunnel and the judge's office said they had not seen the results of the inquiry but that it was understood to conclude the fire was started deliberately. Eurotunnel is the company which operates the tunnel.

The report is expected to be published next week. On the day of the fire Eurotunnel staff were demonstrating against redundancies at the Calais terminal in France. French truck drivers involved in a separate labour dispute were also present at the terminal. One suggestion made shortly after the fire was that a flare had been fired at the train.

Security guards said they saw a fire beneath a truck on a rail wagon towards the rear of the train before it had entered the tunnel. They were unable, however, to stop it in time. Some 30 drivers and three train crew were treated for smoke inhalation after being evacuated from the burning train.

The fire has led to the withdrawal of freight shuttles services through the tunnel for the past six months and restrictions on other trains. Eurotunnel was criticised for its safety management procedures this week by the Anglo-French safety authority.

Templeton

Templeton Global Strategy Funds
Société d'investissement à capital variable
20, boulevard Royal, L-2449 Luxembourg
R.C. B. 15.17

Shareholders of Templeton Global Strategy Funds (the "Company") are hereby informed that the Board of Directors of the Company has determined that the Templeton Global Strategy Fund (the "Fund") will be renamed Templeton Managed Currency Fund, that its investment objectives and policies will be altered and that its base currency will be changed from its current denomination in Swiss Francs (Sfr) to U.S. Dollars, with effect from June 16, 1997 (the "Conversion Date").

The Board of Directors anticipates that this change in denomination will have no immediate effect on the value of an investment in the Fund, nor will the Shareholders of the Fund have to pay any foreign exchange charges arising from the change. As more fully described in the current Prospectus, an investment in the Fund may, however, entail risks, including exchange rate fluctuations, arising from the various currencies of the countries in which the Fund invests. Such currency fluctuations risk is a function of the underlying portfolio securities of the Fund, and should not be impacted by this change.

After the Conversion Date, the main features of the Fund will be as follows:

- The investment objective of the Fund will be to maximize total return consisting of a combination of interest income, currency gains and capital appreciation. The Fund will normally be invested in short term securities and other debt instruments qualifying as transferable securities with a relatively short average remaining maturity (generally less than one year). Such securities and instruments may, within the limits established by the investment restrictions, include fixed or variable rate government, government-related or corporate securities, bank certificates of deposit, bankers' acceptances and commercial paper. The Fund may also, on an ancillary basis, hold cash and cash equivalents (including money market instruments), issue deposits and repurchase agreements which are regularly repurchased and have a remaining maturity of not more than 12 months) up to 5% of its total net assets (provided that the Fund may exceptionally exceed that percentage if the Investment Manager (see below) considers such exceptions to be in the best interest of the Shareholders). In order to protect the assets and liabilities of the Fund against fluctuations in currencies, the Fund may engage in the purchase or sale of forward currency contracts, and the purchase or sale of call and put options in respect of currencies, provided that such transactions are made on exchanges or over-the-counter with qualified financial institutions specializing in such transactions and being duly licensed in a market that operates regularly. The Fund may invest in U.S. dollar or other currency denominated securities or instruments and will normally be invested in at least three different currencies. In addition, the Fund will invest at least 65% of its total net assets in any single emerging market currency net among the list of developed markets. The Investment Manager intends, under normal market conditions, to invest in securities and instruments with investment grade or lower grade ratings or, if not rated, in securities and instruments deemed by the Investment Manager to be of comparable quality. The base currency of the Fund will be U.S. Dollars.

It is anticipated that under normal circumstances distributions will be made quarterly in the case of the Shares relating to the Fund.

The Investment Manager will receive from the Company a monthly fee equivalent to 0.50% per annum of the Fund's average daily net assets during the year.

The Shares of the Fund will be offered as Class A Shares and will be only available as registered from only.

Shareholders who do not concur with these changes, may, from May 16, 1997 and until the Conversion Date, continue to request, free of charge, the redemption of their Shares of the Fund or the exchange of such Shares into Shares of other Funds of the Company, details of which can be found in the current Prospectus (provided that such Funds have obtained recognition for marketing in the Shareholders' jurisdictions).

For further information, Shareholders are invited to contact their nearest Templeton office:

London: Tel: (44) 20 772 23 272 Fax: (44) 20 772 23 130
Hong Kong: Tel: (852) 2872 7713 Fax: (852) 2871 5401
Luxembourg: Tel: (352) 46 66 67 212 Fax: (352) 46 66 67 210
New York: Tel: (212) 486 4000 Fax: (212) 486 4001
Paris: Tel: (33) 1 38 28 4900 Fax: (33) 1 38 28 4901

The Board of Directors

FT Mastering Finance.

Written by experts from three of the world's leading business schools, Mastering Finance builds into a comprehensive tutorial course covering every aspect of business finance. Free with the FT, every week from May 12.

FINANCIAL TIMES

No FT, no comment.



When Ms Mary Allen, secretary general of the Arts Council, takes over at the helm of London's Royal Opera House in September it will be a case of gamekeeper turning poacher. A substantial part of Ms Allen's current job is deciding each year the subsidy for Covent Garden, the council's most cash hungry client - currently it gets just over £15m (£24.20m).

Ms Allen, 45, can have few illusions about her task, but she is no reluctant draftsman. Her name was frequently mentioned last year as Covent Garden searched for a successor to Sir Jeremy Isaacs. But as Arts Council supreme she was an observer on the selection panel and, in the end, decided not to throw her hat into the ring.

This time round she is enthused by the prospect. "I've pushed paper around for five years as a bureaucrat," says Ms Allen. "I want to get down to the sharp end now and do it. Any organisation that is capable of putting out the finest artistry on stage night after night must have something going for it."

The Royal Opera House, however, is acquiring a reputation for creating grander dramas backstage than on front. The latest, the decision this week by Ms Gen-

Woman in the News • Mary Allen

Quick change of roles

Antony Thorncroft on the new chief of the Royal Opera House

isia McIntosh to quit as chief executive after just four months in the job, is one of the most spectacular. Few doubt that Ms McIntosh's stress has been caused by fireworks in the boardroom as Covent Garden wrestles with a £45m overdraft and the programming for a two-and-a-half year exile while the Royal Opera House undergoes a £214m refurbishment.

Ms McIntosh had to tackle these challenges with two powerful, opinionated colleagues, the new hands-on chairman Lord Chiddingfold, formerly Mr Peter Gummer, and the feisty Mrs Vivien Duffield, head of the £100m development appeal. Personalities clashed.

When Ms McIntosh informed Lord Chiddingfold two weeks ago that she had had enough, he immediately called Ms Allen. He had worked with her before as chairman of the Arts Council Lottery Board and the two got on well. At such a crucial time for the Royal Opera House, he wished to avoid another protracted tangle of possible candidates.

A self-effacing character, with a pleasant, but slightly diffident social manner and conservative dress sense, Ms Allen appears happiest playing a supporting role to more extrovert personalities. This, coupled with a prodigious capacity for work, enabled her to get on extremely well with the flamboyant Lord Gower, chairman of the Arts Council, and bodes well for her relationship with his counterpart at Covent Garden.

The rise and rise of Ms Allen mirrors the growing influence of women in the arts. At Cambridge University, where she was involved in the Footlights, she had ambitions to be a performer.

On graduation she had a brief and inglorious career as an actress, culminating in a West End appearance in *The Rocky Horror Show*. The main advantage of Cambridge proved to be the contacts it provided. Ms Allen was soon progressing smoothly through the arts world, moving from arts sponsorship director at Mobil, to senior manager at the Association for Business

Sponsorship of the Arts, to director of the tiny Watermans Arts Centre in Brentford, west London - her only previous experience of running an arts company.

Her appointment as deputy secretary-general at the Arts Council in 1992 was something of a surprise. There she gained the reputation as having a safe pair of hands and of being a calm, sensible, backroom worker, happy to keep out of the limelight and cope with the inflated bureaucracy of the institution. She played her part to perfection, and in 1994 took over as secretary-general, where she was the composed foil to Lord Gower.

It is her background as an effective number two, who can also perform with charm at the top level, which appeals to Lord Chiddingfold and the Covent Garden board. After a decade in which the board was effectively cowed by a powerful chief executive, Mr Jeremy Isaacs, it looks as if Covent Garden is about to experience collective leadership, centred on its chairman.

Before Ms McIntosh arrived in January more power was placed into the hands of Mr Nicholas Payne, the opera director, and Sir Anthony Dowell, who looks after the ballet company.

On the surface it is hard to understand why Ms Allen should want to move from running England's controlling arts body, with financial and strategic muscle, to take responsibility for its most controversial and ill-starred supplicant. Lord Gower recently upbraided Covent Garden for its slow progress in developing a coherent plan during the closure period, and the house is currently racked by a dispute with the unions over nearly 300 planned redundancies. It can hardly be the money - at about £90,000 a year in her new position, any rise in salary is marginal.

Ms Allen is unperturbed. It is "an exciting opportunity" and "a mammoth task", she says. After years of seamless progress, she will have the biggest job in on the UK arts scene. Its reputation of being a poisoned chalice may even

make it more appealing.

Having given a second tranche of lottery cash to Covent Garden, Ms Allen knows most of the redevelopment money is in place. The programme for the first year of closure is already fixed and Sadler's Wells should be ready to accommodate the Royal Opera during its second year of exile. The worst may be over.

Ms Allen may have underestimated the pressures of the task. At her new job she will find no fixed home: short seasons in sometimes unappealing venues; evenings spent charming sponsors; overseeing the rebuilding; the vituperation of critics; and coping with a new government which will expect Covent Garden to widen its audience appeal.

She will have little time for her great passion, gardening and her husband, merchant banker Mr Nigel Pantling, will have to be very understanding.

But it will be a glorious moment in December 1999 when the curtain rises on a new production of Verdi's *Phaedra* in the gleamingly transformed Covent Garden. Although she has no contract, Ms Allen is confident she will be there in the royal box. If that happens, she will be a long way from where her artistic career began in the mid-1970s - with a 16-month regional tour appearing in *Godspell*.

As Mr Boris Nemtsov, Russia's energetic first deputy prime minister, tells it, this week's explosive confrontation between the government and Gazprom, Russia's mightiest company, was triggered by a recent conversation he had with the nation's president.

Sitting in the Kremlin chief's grand office suite, just a few feet from the smartly turned-out soldiers who still goose-step across Red Square, Mr Nemtsov showed President Boris Yeltsin a secret management agreement governing relations between Gazprom and the state. According to Mr Nemtsov, under one of the provisions of a controversial 1993 deal - still not made public - certain individuals held options to buy most of the state's stake in the gas giant at a fraction of the current share price.

"But this is theft!" thundered President Yeltsin, and Mr Nemtsov had the ammunition he needed to go after the country's most formidable corporate behemoth. Mr Nemtsov, who later related his presidential tête-à-tête to *Yevrasia*, a national daily newspaper, waited until this week to launch his public attack.

The former provincial governor's offensive has been played out on the country's television screens, in Gazprom's grandiose boardrooms and in the shabby offices of the Russian cabinet. It has begun to redefine the often murky relationship between the Russian government and the nation's new economic tycoons.

Mr Nemtsov forced through three important

A behemoth tamed

Chrystia Freeland on Russian government attempts to curb the power of Gazprom, the country's mightiest company

changes in his week of jousting with Gazprom. The highest victory, authorised by a presidential decree on Tuesday, was the creation of 10-member government board headed by Mr Nemtsov. This was charged with overseeing the work of the gas monopolist, in which the state, with 40 per cent, remains the single biggest shareholder.

The new board gives Mr Nemtsov greater leverage in pushing for his second chief objective - the renegotiation of the shadowy management agreement between the state and Mr Ram Vyakhirev, the Gazprom boss, which had so outraged Mr Yeltsin.

Third, in a kiss-and-make-up meeting at the White House, the seat of the Russian government, Mr Vyakhirev presented a radical restructuring plan which in many respects mirrors Mr Nemtsov's own drive to streamline Russia's natural monopolies.

By squeezing out these three concessions, Mr Nemtsov has dramatically altered Russia's governing political structure. From their spanking new white and aquamarine towers in a Moscow suburb, Gazprom's chiefs are accustomed to gazing at the Russian panorama with a sense of almost unlimited power. Mere cabinet ministers have often seemed beneath the corporation's notice.



Head to head: Nemtsov (left), first deputy prime minister, and Vyakhirev of Gazprom

Earlier this year, when Mr Yevgeny Yastin, then minister of the economy and today a Nemtsov ally, called for the company to be broken up, Mr Vyakhirev told reporters: "Don't pay attention to what he is saying, otherwise you will clog up your brain."

Gazprom's special place at the heart of the Russian state has been further secured by Mr Victor Chernomyrdin, the former Gazprom boss who has been prime minister since 1992. But the arrival of a reform team led by Mr Nemtsov and

the other first deputy prime minister, Mr Anatoly Chubais, has eaten into Mr Chernomyrdin's influence and his power to protect Gazprom.

"My signing the decree on Gazprom and on natural monopolies... that was not easy for [Chernomyrdin]," Mr Yeltsin said in a rare television interview this week. "Gazprom was a difficult matter for him, but nevertheless he accepted that decision... he initialised that decree, although first he had kept it for some time, brooding over it in every way."

Even after the painful

events of the past week, Gazprom remains a force to be reckoned with. Its enduring might was evident in the delicate manner in which Mr Nemtsov catered to company sensibilities, even as he fought to bring it back under state control. After Mr Nemtsov had steered through his vital presidential decree, his first meeting with Mr Vyakhirev was held not in his own offices - but at Gazprom's shiny headquarters. "It was symbolic that this was on Gazprom territory and not on government territory," says Mr Mikhail Ber-

ger, an influential economic journalist.

Mr Vyakhirev remains Gazprom's master because, of all Russia's Soviet-era directors, he has been most adept at learning just enough of the new market techniques to keep his company intact. Although Mr Vyakhirev's empire is often held up as the most egregious example of the insider-dominated version of capitalism which has flourished in Russia, his ability to keep Gazprom afloat and to steer it gingerly into the new era has won him grudging respect. As one member of the new reform team put it: "In his heart, Ram Ivanovich may still long for the central plan, but he has also learned words like 'hedging' and 'ADR' and you have to respect that."

Gazprom's adaptability, and the reformers' grudging admiration for this most agile of the Soviet behemoths, were on display at the Thursday cabinet meeting which concluded this week's round of sparring.

Gazprom stage-managed the session almost as skillfully as any public relations-minded western company. It held the discussion at the White House, not at Gazprom headquarters, lest television shots of the company's soaring towers alienate impoverished Russian viewers. The meeting began with a slick film detailing Gazprom's accomplishments.

And to make sure the message was not lost on the ministers, Mr Vyakhirev warned them: "Don't confuse Gazprom with some street kiosk next to a metro stop. On the world markets, they love us."

The wages of sin

Gillian Tett looks at the implications of the scandal that has rocked Nomura

Japan's television viewers have been treated to a lurid spectacle this week. The arrest of three former executives of Nomura, Japan's biggest securities house, over alleged payments to corporate extortionists has stirred the media's glee.

Breathless reporters have been explaining, amid flow charts and spooky music, the central allegation behind the arrests: that in 1995 Nomura channelled payments to an account for a property company related to a well-known *sokaiya*. These are the corporate extortionists who demand bribes in exchange for not revealing embarrassing information at shareholders' meetings.

Chain-smoking *sokaiya* have appeared on television, heavily disguised, and hidden cameras have shown wobbly footage of disrupted shareholder meetings. Details have been revealed of Nomura's VIP accounts, which extended favours for a host of special customers, including alleged *sokaiya*.

The spectacle is deeply humiliating for Nomura, which sees itself as a global competitor to western financial groups. It is also another blow for Japan's corporate reputation, after recent revelations of *sokaiya* payments at other companies such as Takashimaya and Ajinomoto, and a copper-trading scandal last year at Sumitomo Corporation.

Most importantly, the media lather may hint at a broader shift in Japanese attitudes. Though hopes of reform in corporate Japan are often illusory, the Nomura furore provides some tantalising signs of change in the media, the government and among some of Japan's institutional investors.

Payments to corporate gangsters have been illegal in Japan for more than a decade. But the practice has remained endemic. As Mr Ritsuke Miyawaki, a former police chief says: "It is very difficult for Japanese companies to cut their ties with *sokaiya*."

But when the latest scandal broke, after a former Nomura employee told his story to a newspaper, the government was prodded into action. This week the Securities and Exchange Surveillance Commission, Japan's financial watchdog, lodged a complaint against the company and three executives. It is preparing to impose a penalty, which is likely to ban Nomura for several months from the government and corporate bond markets, equity sales and proprietary trading. This is likely to severely dent Nomura's results.

Since Nomura's "sins" are probably shared by many companies, singling it out for punishment may appear unfair. But Nomura's behaviour is particularly embarrassing to the government.

because the securities house reportedly promised to meet its ways after a similar scandal in the early 1990s. The government is trying to persuade the international financial community that its planned "Big Bang" deregulation will bring its financial markets into line with global standards. Nomura's humiliation is a convenient warning.

This is partly because of Nomura's size and prestige: the firm, which employs nearly 11,000 staff in offices around the world, has been in business since 1872. Nomura is also probably one of the few securities companies that could survive a large fine. Most of the other securities houses are in a parlous state, and deregulation is likely to put them under further pressure.

Nomura faces censure from elsewhere. Several public and private companies have recently cancelled their business with the group, the most striking move coming from Nomura's affiliated pension fund management group, Nomura Investment Management company (Nimco). Nimco has used Nomura for up to 30 per cent of its transactions, but is unlikely to resume business with the group until the government investigation is complete.

Nimco's stance partly reflects a growing sensitivity to its international client base. It also arises from a decision after the Nomura scandal of 1991 to amend internal guidelines, stipulating that Nimco cannot deal with scandal-tainted companies.

Its action has triggered a dramatic change at Nomura itself. Last month, in a desperate effort to win back the confidence of clients, the company implemented one of the most sweeping management reshuffles ever seen in Japan, removing 16 former directors and appointing Mr Junichi Ujii, a young, internationally experienced director.

It is not clear that other Japanese groups will seek to mend their ways. So far the media have concentrated on Nomura, but they are beginning to suggest other securities companies and banks had similar *sokaiya* links.

One thing is absent. There has been little public discussion of the underlying reasons for the *sokaiya* existence - namely, the deep reluctance of corporate Japan to provide information to its shareholders. If active groups of shareholders were already demanding accurate corporate information then the role of the *sokaiya* would evaporate.

"When Japan's companies start accepting the need for full disclosure," says an adviser, "the system will really change. Until then, Nomura's problems are unlikely to be unique."

John Perlman reports on the big money which the game is attracting in the republic

South Africa goes for soccer gold

The result of South Africa's last international match was close enough, but the advertising boards around the stadium made it plain that off the field there really was no contest.

Every available space in the small stadium in Togo, which staged the side's 3-1 World Cup win over Zaïre last month - the Zaïrean civil war forced the use of a neutral venue - was used to promote South African products.

There were billboards advertising shoe polish, mobile phones, cooking appliances, cement, milk and cars. There were endorsements from the national telephone network, the country's biggest steelworks, a leading insurance corporation and an oil company. Some of the advertisers are direct sponsors of South African football. The rest probably wish they were.

The football world has for some years viewed an African winner of the World Cup as a realistic prospect, but many of the continent's nations find themselves a goal down before they have even kicked off. The resources required to fly star players back from Europe and put together competitive teams - are invariably stretched.

South African football, by contrast, has for more than a decade tapped into the opportunities presented by Africa's most developed economy. There are signs that the exploitation of those opportunities is beginning in earnest.

"Last year our major knock-out competition was worth R1.7m. (\$380,000). The winner was getting R200,000," says Trevor Phillips, chief executive of South Africa's Premier Soccer League. "Next year the competition will be worth R7m, with R1.2m for the winner."

Phillips, the former commercial director of the English Football Association, has been the driving force in a push for sponsorship increases that one backer of the game describes as "astronomical". But his aggressive marketing of a game that he believes has been "dramatically undervalued" has not put too many people off.

"I'm beating sponsors off with a stick," Phillips says. "But I am not entering into contracts until I'm sure we can deliver." Even so, sponsorship of the PSL is worth about R32m a year - "on a par with rugby and slightly up on cricket," on Phillips' reckoning.

That has not always been the case. Football is easily

the country's most popular sport, the chief passion and pastime of South Africa's townships. Yet until the mid-1980s the white economic establishment generally showed as little interest in the game as it did in the political aspirations of the people who followed it.

That changed when it did owe something to the political shifts that eventually led to Nelson Mandela's release from prison, and much to the efforts of one man. Abdul Bhamjee's official title at the PSL's predecessor body was public relations officer, but his ebullient, often abrasive courting of the country's corporations made him South African soccer's supreme. Bhamjee's efforts sent sponsorships soaring - and then the bubble burst.

In 1991 he was found guilty of 33 counts of theft totalling R7.4m, all of it looted from football. Bhamjee and Cyril Kobus, the league's chief executive, were jailed. The scandal, and the fact that football made no obvious effort to recover the money, left the game under a cloud.

Football was a byword for incompetence - a fixture chaos last year saw the season's two main cup finals played within a week of each other. Earlier this year Solo-



South African players with government figures after winning the 1996 African Nations Cup

mon "Stix" Morewa lost his job at the head of the South African Football Association after a judicial inquiry into the body's financial management. And while sponsors did not stay away, the game's commercial potential was never properly tapped.

There is consensus that the PSL under Phillips is a much tighter ship, but some sponsors still wonder if the sport has enough administrative depth to build on the coming boom.

Phillips recognises that football's foundations in South Africa are still weak.

None of the PSL's clubs owns its own stadium, which limits exploitation of advertising rights. The 16-team league is widely seen as unsustainable. And most important, with only one national broadcaster and a single commercial satellite station, the PSL is unable to maximise the potential of television revenue.

"We don't get a fair price for our rights and we won't do because TV is not competitive," Phillips says. "The reality is that I can't run off to satellite and do a Sky-style deal because my cus-

tomers can't afford it." Football's target market does have other attractions, however. After oil company Total signed a R12m deal with the country's glamour club Kaizer Chiefs, Dennis Poole, the managing director, cited two reasons for investing in football.

"My company wants to become more involved in the black market, and for this Chiefs and soccer are the ideal vehicles. We believe it is the politically correct thing to do. We also want to be part of, and grow with, the new South Africa."

Coffee price rises hit consumers

MARKETS REPORT

By Susanna Voyle

A sharp rise in world coffee prices began to hit consumers yesterday as retailers and manufacturers passed on their increased costs.

Whittard, the UK coffee and tea retailer, raised prices by 14 per cent with immediate effect, while in Germany DKV, the coffee industry association, warned that retail prices would rise.

Douwe Egberts, the Dutch manufacturer, increased its prices in France - the latest in a series of rises which mean the price of top quality beans there has gone up 45 per cent this year.

A volatile mix of low stocks, tight supply and fears of frost in Brazil has fanned a wave of speculative money into the futures markets that determines world prices. In London yesterday prices for July delivery jumped by \$127 a tonne to a 15½-month high of \$2,060 before falling back to close at \$2,030.

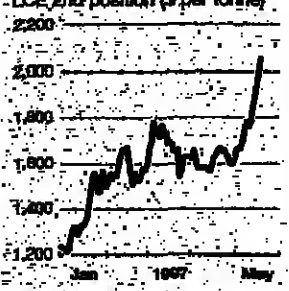
The London International Financial Futures Exchange trades robusta coffee, used in soluble and instant blends.

The rally has been driven by the US market - which trades arabica beans, the higher grade product - where one contract on Thursday reached a 20-year high.

On New York's Coffee, Sugar and Cocoa Exchange prices fell yesterday as profit-takers entered the market. Around 11am the July futures contract was trading at 247.5 cents per pound, down from 255 cents

Coffee

LCE position (\$ per tonne)



Source: International Coffee Organization

	1995	1996	1997
Arabica	782,150	81,200	81,200
Robusta	385,875	12,400	12,400
Latex	1,185,100	1,185,100	1,185,100
Latex	1,185,100	1,185,100	1,185,100
Latex	1,185,100	1,185,100	1,185,100
Latex	1,185,100	1,185,100	1,185,100

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

1997's close

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.7 PURITY (\$ per tonne)

	3 mths
Close	1880-51
Previous	1880-51
High	1880-51
Low	1880-51
Settle	1880-51

ALUMINIUM, 99.

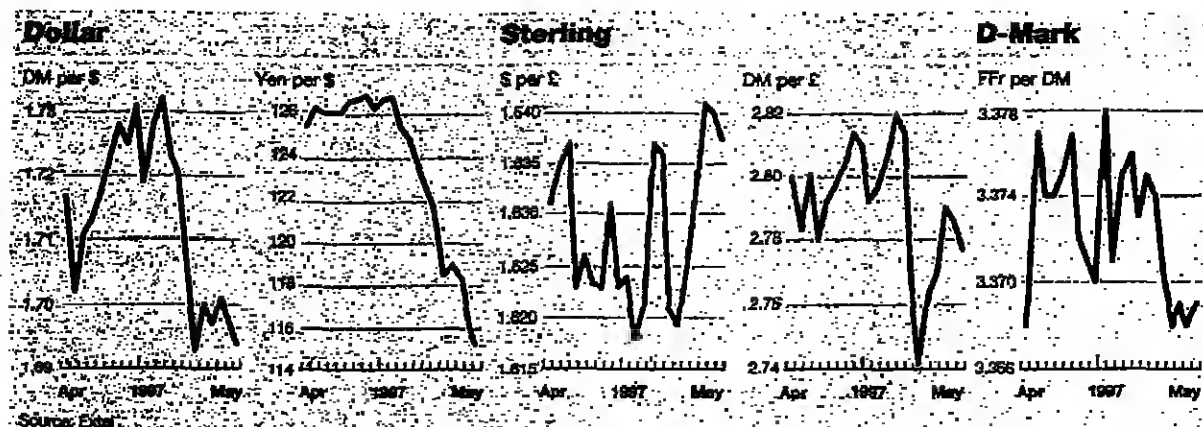
CURRENCIES AND MONEY

Yen advances

MARKETS REPORT

By Simon Kuper

The yen rose further against the dollar and D-Mark yesterday on the belief that Japan will raise interest rates soon. For two years forex traders have borrowed yen at low Japanese interest rates in order to buy dollars and high-yielding emerging markets currencies. Recent reports that the Bank of Japan could raise rates this summer have prompted traders to repay the borrowed yen, before the cost of the loans rises. The yen rose Y0.8 against the dollar to Y115.3 and Y0.29 against the D-Mark to Y68.07 yesterday. The expected rise in Japanese rates is hurting many emerging markets currencies. The Czech National Bank was yesterday forced to raise its lombard rate from 14 per cent to 50 per cent, after two days of intervention in the market had failed to buoy the koruna. The currency has been suffering for weeks because of the slowdown in the Czech economy and the rise in the current account deficit. As expected, the Bank of Spain cut interest rates, taking advantage of low inflation to reduce its key money market rate by 25 basis points to 5.25 per cent. The peseta was unmoved. The Canadian dollar



The yen has now risen Y11 against the dollar in the last 11 days. If it continued to appreciate at this rate then by September the yen would be worth one dollar. Strategists said the yen's rise was feeding on itself, by encouraging Japanese investors to hedge their overseas bond holdings. The strategists said the dollar enjoyed support at about Y115. But if it broke through this level, it could drop almost immediately to Y110. Mr Joe Frendengast, forex strategist at Merrill Lynch in London, said Tokyo's bid to weaken the dollar may succeed all too well. Once traders realised that central banks would stop the dollar rising above a certain level, there was little percentage in buying dollars. The question then became how far the currency could fall. He pointed to the early 1980s, when talk and intervention by central banks sent the dollar as low as Y80 - well below where the authorities wanted it. The D-Mark is no longer moving with the yen against the dollar. For the last fortnight it has collapsed with the dollar against the yen, and has barely moved against the US currency. Nor has the D-Mark suffered on reports that Germany will use its gold reserves to cut its budget deficit. This was seen by some as a creative accounting device to help Germany qualify for ERM, and was taken to suggest that Italy and other European countries would also be allowed to fudge the EMU criteria. Theoretically that should build fears that the euro would be a weak currency. This should in turn weaken the D-Mark. Yet the currency has firmed modestly against the dollar in the last two days. Strategists point out that they have long expected the criteria to be fudged, and that they have long regarded EMU as a done deal. EMU news has barely moved currencies in recent months.

POUND SPOT FORWARD AND THE POUND

May 16	Closing mid-point	Change on day	Bid/offer spread	Days' mid	One month	Three months	One year		
Europe									
Australia	(A\$)	18.5429	-0.0026	132	3.98	18.7575	18.5132	18.4714	3.3
Belgium	(Bfr)	57.2798	-0.2209	285	300	57.7150	57.2230	57.1248	3.3
Denmark	(DKr)	10.5645	-0.0474	586	834	10.5481	10.5596	10.538	2.9
France	(FFr)	8.2659	-0.0012	587	725	8.4470	8.3590	-	82.1
Germany	(DM)	9.3445	-0.0095	394	485	9.4165	9.3388	9.3203	3.1
Greece	(Dr)	2.7740	-0.0118	724	786	2.7988	2.7716	2.7864	3.1
Ireland	(Ir£)	442.191	-2.654	974	407	446.455	441.865	-	65.1
Italy	(Lira)	1.0754	-0.0022	720	748	1.0781	1.0704	1.0735	-0.1
Japan	(Yen)	11.5374	-0.0022	297	450	11.5350	11.5292	11.5300	3.2
Netherlands	(Gld)	2.73284	-0.0001	110	218	2.73284	2.73284	2.73284	0.8
Portugal	(Esc)	203.484	-1.006	911	218	203.484	203.484	203.484	1.4
Spain	(Pes)	166.636	-0.007	736	835	166.636	166.636	166.636	2.1
Sweden	(Kron)	13.2321	-0.0007	226	255	13.2321	13.2321	13.2321	4.8
Switzerland	(Sfr)	2.0072	-0.0007	226	255	2.0072	2.0072	2.0072	4.8
UK	(£)	1.4210	-0.0007	201	218	1.4244	1.4201	1.4168	2.2
USA	(\$)	1.17494	-0.0007	201	218	1.17494	1.17494	1.17494	2.2
Asia/Pacific									
Argentina	(Peso)	1.6367	-0.0034	362	372	1.6424	1.6322	-	3.5
Brazil	(R\$)	1.7254	-0.0005	487	481	1.7528	1.7427	-	3.5
Canada	(C\$)	2.2440	-0.0067	429	481	2.2502	2.2593	2.2378	1.5
China (PRC)	(Ren Min Bi)	12.2275	-0.0406	884	336	12.5878	12.8653	-	3.5
USA	(\$)	1.6373	-0.0029	370	380	1.6412	1.6325	1.6367	0.8
Asia/Pacific									
East Africa	(Sh)	2.1144	-0.0002	311	157	2.1222	2.1038	2.1198	0.3
Hong Kong	(HK\$)	12.7118	-0.0027	617	756	12.7214	12.8338	12.8338	0.8
India	(Rupee)	58.6441	-0.1021	882	598	58.8330	58.5800	-	3.5
Japan	(Yen)	5.5453	-0.0039	458	523	5.5797	5.5176	-	3.5
Malaysia	(RM)	1.1845	-0.0001	174	161	1.1845	1.1845	1.1845	0.7
Philippines	(P\$)	4.0663	-0.0325	647	688	4.0922	4.0593	-	3.5
New Zealand	(NZ\$)	2.2617	-0.0001	598	636	2.2695	2.2651	2.2615	0.1
Thailand	(Baht)	42.1839	-0.0899	330	388	42.2528	42.1350	-	3.5
Taiwan	(New Taiwan \$)	2.6447	-0.0001	598	636	2.6447	2.6447	2.6447	0.7
United Kingdom	(£)	2.2440	-0.0067	424	464	2.2529	2.2597	-	3.5
South Africa	(Rand)	7.3870	-0.0218	231	317	7.3950	7.3897	-	3.5
South Korea	(Won)	1469.23	-0.251	529	437	1465.28	1455.29	-	3.5
Thailand	(Baht)	42.1839	-0.0899	330	388	42.2528	42.1350	-	3.5
China (PRC)	(Ren Min Bi)	42.3622	-0.0813	670	570	42.5040	42.7870	-	3.5

Source: Reuters Datafeed, 15 Oct 2003. All figures are in US dollars unless otherwise indicated. All figures are in US

DOLLAR SPOT FORWARD AND THE DOLLAR

Time	months	One year	Bank of	May 16	Opening	Change	5 days'
Rate	%FA	%FA	England		mid-point	on day	mid-point
18.9634	2.8	-	103.2	Europe			
34.06	3.3	35.3798	5.3	Austria	(Sch)	11.2926	-0.0026 201
10.495	3.0	10.265	2.8	Belgium	(Bfr)	57.2798	-0.2209 285
8.2724	3.1	9.0498	3.2	Denmark	(DKr)	10.5645	-0.0474 586
2.7304	3.4	2.6801	3.4	Finland	(Fmk)	51.8900	-0.0284 655
1.0705	3.3	1.0655	0.7	France	(FFr)	57.0584	-0.0141 022
58.006	-0.5	57.4414	-0.3	Germany	(DM)	15.0891	-0.0048 394
3.0822	3.4	3.0141	0.4	Greece	(Dr)	2.7740	-0.0118 724
11.4474	3.1	11.2104	2.8	Ireland	(Ir£)	442.191	-2.654 974
278.738	1.0	280.706	1.4	Italy	(Lira)	1.0754	-0.0022 720
23.54	2.8	23.2201	2.1	Japan	(Yen)	11.5374	-0.0022 297
12.4141	-4.0	12.2317	4.8	Netherlands	(Gld)	2.73284	-0.0007 110
2.2968	-	2.3853	2.5	Portugal	(Esc)	203.484	-1.006 911
1.4124	2.4	1.3893	2.5	Spain	(Pes)	166.636	-0.007 736
-	-	-	-	Sweden	(Kron)	13.2321	-0.0007 226
-	-	-	-	Switzerland	(Sfr)	2.0072	-0.0007 201
-	-	-	-	UK	(£)	1.4210	-0.0007 201
-	-	-	-	USA	(\$)	1.17494	-0.0007 201
-	-	-	-	Europe			
-	-	-	-	Australia	(A\$)	1.5249	-0.0026 132
-	-	-	-	Argentina	(Pes)	0.9995	-0.0004 995
-	-	-	-	Brazil	(Rbr)	1.2671	-0.0004 670
-	-	-	-	Canada	(Cdn)	1.3704	-0.0170 705
-	-	-	-	Mexico	(New Pes)	7.2910	-0.0171 685
-	-	-	-	USA	(\$)	-	-
-	-	-	-	Asia/Pacific			
-	-	-	-	Hong Kong	(HK\$)	1.2912	-0.0021 908
-	-	-	-	India	(Rs)	35.8150	-0.0008 380
-	-	-	-	Indonesia	(Rp)	3.5985	-0.013 935
-	-	-	-	Japan	(Yen)	11.5374	-0.0022 297
-	-	-	-	Malaysia	(M)	2.4835	-0.0151 895
-	-	-	-	New Zealand	(NZ\$)	1.4423	-0.0001 410
-	-	-	-	Philippines	(Pes)	20.3700	-0.002 505
-	-	-	-	Singapore	(S\$)	3.7452	-0.0001 380
-	-	-	-	South Africa	(R)	1.4475	-0.0005 738
-	-	-	-	South Korea	(Won)	891.500	-0.004 000
-	-	-	-	Taiwan	(NT\$)	1.4475	-0.005 100
-	-	-	-	Thailand	(S\$)	25.1700	-0.0007 200
7 BDR rate per \$ for May 15, BofE's average on the quoted to the market but not implied by current interest rates 108B-102.							
The exchange rates printed in this table are also available							

WORLD INTEREST RATES

MONEY RATES	Over night	One month	Three months	Six months	One year	Long term	Repo
Belgium	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	2.50
France	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	4.75
Germany	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3.00
Ireland	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	8.75
Italy	7	7	7	7	7	7	8.75
Netherlands	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3.00
Switzerland	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	6.00
US	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5.00
Japan	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	-

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

May 16	BFr	DM	FFr	£	¥	US\$	DM	FFr	£	¥	US\$
Belgium	(Bfr)	100	18.44	6.51	4.843	1.874	47.79	5.445	20.14	467.8	21.79
Denmark	(DKr)	24.22	10	8.445	2.988	1.148	25.91	2.988	10.92	264.4	22.18
France	(FFr)	65.30	31	10	2.988	1.148	25.91	2.988	10.92	264.4	22.18
Germany	(DM)	100	18.44	6.51	4.843	1.874	47.79	5.445	20.14	467.8	21.79
Ireland	(Ir£)	53.35	2.988	6.51	2.988	1.148	25.91	2.988	10.92	264.4	22.18
Italy	(Lira)	2.036	0.986	0.341	0.103	0.039	10.1	0.114	0.421	16.26	8.50
Netherlands	(Gld)	16.37	0.986	0.341	0.103	0.039	10.1	0.114	0.421	16.26	8.50
Portugal	(Esc)	203.484	1.006	0.911	0.218	0.218	0.218	0.218	0.218	0.218	0.218
Spain	(Pes)	166.636	0.007	0.736	0.835	0.835	0.835	0.835	0.835	0.835	0.835
Sweden	(Kron)	13.2321	0.0007	0.226	0.255	0.255	0.255	0.255	0.255	0.255	0.255
Switzerland	(Sfr)	2.0072	0.0007	0.201	0.218	0.218	0.218	0.218	0.218	0.218	0.218
UK	(£)	1.4210	0.0007	0.201	0.218	0.218	0.218	0.218	0.218	0.218	0.218
USA	(\$)	1.17494	0.0007	0.201	0.218	0.218	0.218	0.218	0.218	0.218	0.218

EUROPEAN CURRENCY UNIT RATES

May 16	£	DM	FFr	¥	US\$	DM	FFr	£	¥	US\$
Ireland	0.786709	0.772000	-0.000227	-0.20	7.74	35				
Netherlands	0.166667	0.166667	0.000000	0.00	1.67	10				
Spain	163.826	165.009	-0.107	0.78	1.35	-6				
France	5.45424	5.45424	-0.000000	1.00	1.06	-7				
Italy	1.93648	1.93648	0.000000	1.20	0.93	-9				
Netherlands	2.20279	2.20279	0.000000	1.53	0.60	-11				
Denmark	7.45655	7.45655	-0.000028	1.67	0.56	-11				
Germany	1.93648	1.93648	0.000000	1.20	0.93	-9				
Australia	1.5249	1.5249	-0.0026	1.34	0.38	-13				
Japan	11.5374	11.5374	-0.0022	2.97	0.26	-13				
Switzerland	2.0072	2.0072	-0.0007	0.51	0.18	-13				
UK	1.4210	1.4210	-0.0007	0.21	0.08	-13				

BASE LENDING RATES

Bank	Rate	Bank	Rate	Bank	Rate
Adams & Company	6.25	Dunlop Leasing	6.25	Seager & Frendender	6.25
Alfred Bank Ltd	6.25	Edwards & Jones	6.25	Shaw & Sons	6.25
Bank of America	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Canada	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of China	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of India	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Japan	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Korea	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of London	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Mexico	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of New York	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Paris	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Portugal	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Russia	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Spain	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Sweden	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Switzerland	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Taiwan	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Thailand	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of USA	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Vietnam	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Yugoslavia	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Zambia	6.25	First City Bank	6.25	Shaw & Sons	6.25
Bank of Zimbabwe	6.25	First City Bank	6.25	Shaw & Sons	6.25

UK INTEREST RATES

LONDON MONEY RATES	Over night	One month	Three months	Six months	One year
Interbank Sterling	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of England	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Ireland	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Scotland	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Wales	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Yorkshire	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of London	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of New York	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Paris	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Portugal	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Russia	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Spain	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Sweden	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Switzerland	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Taiwan	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Thailand	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of USA	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Vietnam	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Yugoslavia	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Zambia	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Bank of Zimbabwe	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2

THREE MONTH STERLING FUTURES (LIFE) £500,000 points of 100c

Open	Sett	Change	High	Low	Est. vol	Open int.
Jun	93.48	93.47	-0.01	93.48	93.48	7297
Jul	93.48	93.47	-0.01	93.48	93.48	7297
Aug	93.48	93.47	-0.01	93.48	93.48	7297
Sep	93.48	93.47	-0.01	93.48	93.48	7297
Oct	93.48	93.47	-0.01	93.48	93.48	7297
Nov	93.48	93.47	-0.01	93.48	93.48	7297
Dec	93.48	93.47	-0.01	93.48	93.48	7297

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$100m points of 100c

BASE LENDING RATES			
	%		%
Bank & Company	6.25	Durizon Lending	6.25
Bank of Montreal (B2)	6.25	Eastar Bank Limited	7.25
Bank of Nova Scotia	6.25	Financial & General	6.25
Bank of Toronto	6.25	Finco Bank	6.25
Bank of Vancouver	6.25	First Bank of Canada	6.25
Bank of Victoria	6.25	First Bank of Montreal	6.25
Bank of Western	6.25	First Bank of New Brunswick	6.25
Bank of India	6.00	First Bank of the West	6.25
Bank of Scotland	6.25	First Bank of the Yukon	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the Midwest	6.25	First Bank of the Pacific	6.25
Bank of the South	6.25	First Bank of the Southwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East	6.25	First Bank of the Northwest	6.25
Bank of the West	6.25	First Bank of the Northwest	6.25
Bank of the South	6.25	First Bank of the Northwest	6.25
Bank of the North	6.25	First Bank of the Northwest	6.25
Bank of the East</			

UNIT TRUSTS

WINNERS AND LOSERS

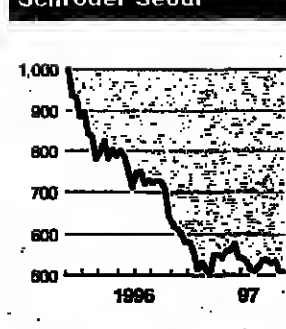
TOP FIVE OVER 1 YEAR

Johnson Fry Slater Growth	1,445
HSBC Hong Kong Growth	1,415
Invesco Hong Kong & Chi	1,337
Abtrust Frontier Markets	1,327
Save & Prosper Financial Secs	1,326

BOTTOM FIVE OVER 1 YEAR

Old Mutual Thailand Acc	358
Save & Prosper Korea	501
Schroder Seoul	503
Baring Korea	508
F&C Japanese Smaller Cos	563

Schröder Seoul



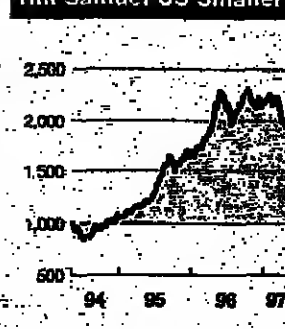
TOP FIVE OVER 3 YEARS

PM North America Growth	2,125
Hill Samuel US Smaller Cos	2,104
Proffitt Technology	2,086
Johnson Fry Slater Growth	1,966
Framlington Health	1,910

BOTTOM FIVE OVER 3 YEARS

Save & Prosper Korea	408
Old Mutual Thailand Acc	481
Schroder Seoul	506
Govett Japan Strategy	517
Fidelity Japan Smaller Cos	517

Hill Samuel US Smaller



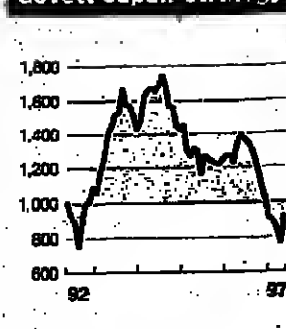
TOP FIVE OVER 5 YEARS

Gartmore American Emer Gth	3,522
HSBC Hong Kong Growth	3,481
Proffitt Technology	3,423
Mercury Gold & General	3,370
PM North America Growth	3,208

BOTTOM FIVE OVER 5 YEARS

Friends Prov Japanese Sm Cos	914
Govett Japan Strategy	916
Fidelity Japan Smaller Cos	935
Baring Japan Inc	1,002
M&S Japan & General Acc	1,017

Govett Japan Strategy



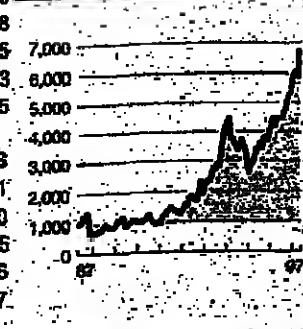
TOP FIVE OVER 10 YEARS

HSBC Hong Kong Growth	6,730
F&C US Small Companies	6,098
Gartmore Hong Kong	6,075
Hill Samuel US Smaller Cos	5,923
Framlington Health	4,825

BOTTOM FIVE OVER 10 YEARS

Waverley Australian Gold	441
Baring Japan Inc	520
Mercury Japan	685
M&S Japan & General Acc	708
Henderson Japan Smaller Cos	747

HSBC Hong Kong Grth



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Source: Reuters Hindsight (01625 511311)

Indices

	1 year (%)	3	5	10	Volatility (%)
Average Unit Trust	1021	1244	1819	2298	3.2
Average Investment Trust	1101	1253	1973	2761	4.5
Bank	1033	1112	1211	1842	0.0
Building Society	1031	1112	1216	1851	0.0
Stockmarket: FTSE All-Share	1216	1572	2024	2679	2.7
Inflation	1026	1091	1120	1525	0.4

Growth

	1 year (%)	3	5	10	Volatility (%)
Johnson Fry Slater Growth	1445	1966	2428	-	3.6
Jupiter UK Growth	1088	1781	2787	-	3.2
Perpetual UK Exempt	1181	1722	2581	-	2.7
Credit Suisse Fellowship Inc	987	1823	-	-	3.1
Perpetual UK Growth	1149	1800	2149	-	2.6
SECTOR AVERAGE	1087	1391	1806	2161	3.0

UK Growth & Income

	1 year (%)	3	5	10	Volatility (%)
Perpetual Income	1202	1637	2287	2900	2.6
Fleming Select UK Income	1148	1558	-	-	2.8
Fidelity UK Dividend Growth	1144	1557	1814	2505	2.8
Lazard UK Income & Growth	1144	1557	1814	2505	2.8
Legal & General UK Stockmkt Acc	1272	1541	-	-	2.9
SECTOR AVERAGE	1130	1387	1765	2356	2.9

UK Smaller Companies

	1 year (%)	3	5	10	Volatility (%)
Laurence Keen Smaller Cos	1062	1768	-	-	3.1
Gartmore UK Smaller Companies	1173	1753	2245	2355	3.4
INVESTCO UK Smaller Companies	1066	1706	2414	2180	3.9
AES Smaller Companies	1080	1682	2071	-	3.1
Britannia Smaller Co's Acc	1079	1631	2452	2344	3.3
SECTOR AVERAGE	1065	1297	1841	1938	3.0

UK Equity Income

	1 year (%)	3	5	10	Volatility (%)
Jupiter Income	1143	1839	2973	-	2.8
Lazard UK Income	1141	1598	2057	3003	2.7
BWD UK Equity Income	1204	1541	1979	2577	2.8
Britannia High Yield Inc	1129	1533	2145	3125	2.7
Royal Life High Income (Dis)	1171	1520	1813	2216	2.7
SECTOR AVERAGE	1116	1350	1793	2361	2.8

UK Equity & Bond Income

	1 year (%)	3	5	10	Volatility (%)
Cazenove UK Equity & Bond	1108	1435	-	-	3.1
Proffitt Extra Income	1085	1364	1767	2237	2.5
Cler Med Retirement Income Inc	1117	1360	1785	-	2.8
CIS UK Income	1158	1354	1750	-	2.4
CU PPT High Yield	1112	1327	1767	2388	2.9
SECTOR AVERAGE	1091	1261	1654	1985	2.8

UK Eq & Bd

	1 year (%)	3	5	10	Volatility (%)
BWD Balanced Portfolio	1183	1804	2276	-	3.1
Perpetual High Income	1179	1529	2269	-	2.2
Credit Suisse High Income Port	1084	1457	2069	-	2.6
NPI UK Extra Income Inc	1076	1403	1935	-	2.4
Canlife Income Dis	1131	1401	1773	2104	2.2
SECTOR AVERAGE	1114	1381	1882	2261	2.5

Gift & Fixed Interest

	1 year (%)	3	5	10	Volatility (%)
M&G Corporate Bond	1189	1347	-	-	1.8
M&G Gift & Fixed Interest	1154	1322	1448	1900	2.0
Thornhill Preference Inc	1098	1810	1783	2334	1.8
Abtrust Fixed Interest	1125	1297	1981	2517	1.7
Britannia Gift & Fixed Int Inc	1097	1273	1386	-	1.7
SECTOR AVERAGE	1080	1198	1436	1965	1.7

International Equity Income

	1 year (%)	3	5	10	Volatility (%)
Martin Currie Int'l Income	1108	1339	1842	-	2.7
GT International Income	1071	1337	2048	2621	2.4
Dolphin Int'l Gth & Income	1088	1307	1848	1688	2.6
Mayflower Global Income	1088	1293	1845	2185	2.5
M&G International Income	1088	1244	1897	2556	2.3
SECTOR AVERAGE	1082	1250	1844	2154	2.5

International Fixed Interest

	1 year (%)	3	5	10	Volatility (%)
Baring Global Bond	1027	1218	1633	-	1.6
Old Mutual Worldwide Bond Inc	984	1188	1481	-	1.8
Baring Global Bond Inc	1080	1180	-	-	1.1
Mercury Global Bond Acc	981	1152	1482	-	1.7
TBS International Income	979	1148	1408	-	1.5
SECTOR AVERAGE	941	1059	1372	1671	1.9

International Equity & Bond

	1 year (%)	3	5	10	Volatility (%)
Bank of Ireland Ex Mgd Growth	1088	1373	1919	-	2.1
Fleming General Opportunities	1182	1358	1708	-	2.6
Cazenove Portfolio	1043	1354	1874	-	2.0
Baillie Gifford Managed	1071	1321	1743	2784	2.4
NPI Worldwide Income Inc	1013	1321	1767	-	2.5
SECTOR AVERAGE	1043	1233	1661	2289	2.2

International Growth

	1 year (%)	3	5	10	Volatility (%)
Proffitt Technology	812	2088	3423	4505	6.4
Framlington Health	774	1810	2822	4925	7.1
Save & Prosper Financial Secs	1386	1898	2978	3484	3.1
Save & Prosper Growth	1172	1678	2716	3325	2.8
Framlington Financial	1140	1588	2647	3754	2.7
SECTOR AVERAGE	1013	1223	1872	2250	3.2

Nth America

	1 year (%)	3	5	10	Volatility (%)
PM North America Growth	1042	2125	3208	4571	4.5
Hill Samuel US Smaller Co's	915	2104	2990	5923	5.4
Edinburgh North American	1083	1891	3032	3587	3.5
Royal Life United States	1085	1797	3040	3752	3.5
Martin Currie North America	1079	1794	2986	3142	3.3
SECTOR AVERAGE	1006	1522	2272	3013	3.9

Europe

	1 year (%)	3	5	10	Volatility (%)
Jupiter European	1190	1909	3154	-	3.3
Baring Europe Select	1138	1764	2818	3137	3.6
Friends Prov European Gth	1157	1697	2488	-	2.8
Allied Dunbar European Growth	1142	1671	2858	2841	3.7
Gartmore European Sel Opps	1123	1667	2815	3248	2.8
SECTOR AVERAGE	1065	1369	2118	2713	3.0

Japan

	1 year (%)	3	5	10	Volatility (%)
GT Japan Growth	918	946	1481	1349	3.3
Martin Currie Japan	846	916	1788	-	4.8
Schroder Tokyo Inc	834	890	1736	2150	4.7
Murray Japan Growth	803	888	-	-	4.8
Henderson Exempt Japan	825	888	1598	1020	4.9
SECTOR AVERAGE	798	720	1303	1149	4.8

Far East Inc Japan

	1 year (%)	3	5	10	Volatility (%)
Govett Greater China	1172	1214	2488	3125	4.2
Abtrust Pacific	853	1089	2074	3029	4.0
Martin Currie Far East	930	1039	1896	2097	4.2
Waverley Pacific Basin	841	1016	1576	1373	4.0
Thornhill International Inc	986	1011	1613	2228	3.4
SECTOR AVERAGE	892	923	1779	2053	4.0

Far East ex Japan

	1 year (%)	3	5	10	Volatility (%)
HSBC Hong Kong Growth	1415	1777	3481	6730	6.3
INVESTCO Hong Kong & China	1337	1439	2709	4089	6.3
GT Orient Acc	1036	1367	3040	-	5.6
Old Mutual Hong Kong	1153	1341	2576	4873	6.2
Gartmore Hong Kong	1184	1308	2597	6075	5.8
SECTOR AVERAGE	880	1012	2142	3559	5.3

Commodity & Energy

	1 year (%)	3	5	10	Volatility (%)
M&G Australian & General Acc	1041	1351	2166	1428	5.0
M&G Commodity & General	890	1237	2112	2080	4.5
Save & Prosper Commodity	776	1094	1811	1782	5.6
Save & Prosper Gold & Expt'n	590	1022	2216	882	6.9
Hill Samuel Natural Resources	759	1003	1548	1536	4.7
SECTOR AVERAGE	759	1033	2140	1372	6.0

Best Peps

	1 year (%)	3	5	10	Volatility (%)
Johnson Fry Slater Growth	1445	1966	2428	-	3.6
Jupiter European	1190	1909	3154	-	3.3
Jupiter Income	1143	1839	2973	-	2.8
Jupiter UK Growth	1088	1781	2787	-	3.2
Gartmore UK Smaller Companies	1173	1753	2245	2355	3.4
AVERAGE UT PEP	1067	1343	1801	-	2.8

Money Mkt

	1 year (%)	3	5	10	Volatility (%)
M&G Treasury	1046	1141	-	-	0.1
Midland Money Market	1045	1141	1245	-	0.2
Newton Cash Acc	1043	1139	1252	-	0.2
CU Deposit	1043	1136	1251	-	0.5
Mercury Cash Acc	1045	1136	1250	-	0.5
SECTOR AVERAGE	1039	1127	1233	-	0.2

Investment Trust Units

	1 year (%)	3	5	10	Volatility (%)
Quilter Investment Trusts Inc	1079	1320	2162	-	3.3
Quilter High Inc Inv Trst Acc	1128	1247	2230	-	2.6
Equitable Trust of Invest Trst	1037	1224	2034	2942	2.8
M&G Fund of Investment Trsts	1026	1212	1994	2730	3.2
Exeter Fund of Investment Trsts	1021	1212	2033	-	3.0
SECTOR AVERAGE	1029	1184	1882	2369	2.9

FT MANAGED FUNDS SERVICE

هكذا من الأهل

+ at	Yield		net Notes Selling	Buying	+ at	Yield		net Notes Selling	Buying	+ at	Yield
-	Gr%	.	Chegs	Pctn	-	Gr%	.	Chegs	Pctn	-	Gr%

+5.70	2.34	Admiral Insurance	80.91	85.44	+0.29	4.10	UK Equity	ET16.29	118.44	—	—	Active Fund
+6.80	3.34	Artsprint European	86.73	91.23	+0.87	8.33						Income
+0.26		Artsprint Recovery	108.56	201.00	+0.10	2.83	Friends Provident Unit Trusts (1800F)					UK Growth

OFEX FACILITY

[illegible][illegible]

Fidelity Investments U.S. Bond Fund (FBIKX)			
Assets Under Management: \$1.07 billion			
Investment Objective:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment Strategy:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment Process:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment Team:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment Performance:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment Risk:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment Fees:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment Expenses:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment Returns:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment History:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment Outlook:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		
Investment Summary:	Invest in U.S. government bonds, corporate bonds, and other fixed-income securities.		

Accountancy	5	67.31	65.79	+0.1	2.98	IBM Corp.	34	167.79	165.50	-0.54	5.32	Lazard Frnk Trk
Auto Income	5	436.4	467.9	-0.1	4.22	Global High Income	34	95.126	95.77	-0.31	4.53	S Fluorid Bond. Rev
Business United	0	694.3	736.3	+0.3	4.02	Corporate Bond	34	106.61	115.79	+0.10	6.58	Information Trk no 1012
Financial	5	202.74	216.8	+0.5	6.46	Mgd Gr 5 01 10	34	101.006	81.27	-6.03	4.95	101 Parvnt
Insurance United	5	217.08	232.8	+0.5	6.46							

Gas Truck	\$1,948	\$5.61	+0.01	25.00	54	96.48	105.07	-0.03	4.25
Gasoline	547.74	704.8	+0.1	6.68	54	96.48	123.12	-0.09	4.25
Electricity	225.28	278.1	+1.1	0.00	54	96.56	788.08	+0.00	8.50
Household Fund Acc	225.28	278.1	+1.1	0.00	54	116.94	127.53	+0.59	6.50
Household & Service	211.48	257.4	-5.1	0.90	54	133.61	163.18	-0.99	3.40
Insurance	191.28	237.8	-0.8	4.08	54	125.60	345.50	+7.48	3.40
Life Insurance	191.28	237.8	-0.8	4.08	54	125.60	345.50	+7.48	3.40

[illegible]

Compiled with the assistance of AULIF SS

Selling price: Also called bid price. The price at which units are bought by investors.

For full details of the effect of this course of action, contact the manager for full details of the effect of this course of action.

manager's name to the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the

become available. [web site, http://www.f-l.com](http://www.f-l.com)

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

هكذا من الأهل

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

NOTES
 Interest: Contractual rate of interest payable. Accounting account of the deduction of basis rate come into.
 Net Rate: Rate of interest payable after allowing for deduction of basis rate income tax.
 Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year, "Compounded Annual Rate".
 CRF: Frequency at which interest is credited to account.

FT MANAGED FUNDS SERVICE

* FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (44 171) 873 4373 for more details.

ISIB RECOGNISED

[illegible]

12 Ave Centre, L-1637 Luxembourg

[illegible]

Dodge Multimedia . . . 516.03
 Diversified Portfolio (7)

[illegible]

Empty	22.572
Full (Acid) 1 rack	17.294
Full (Acid) 1 rack	19.894

[illegible]

Reserve Da . . . 12.10 10.09
3 Fmth
the Mount doc 12.10 10.09

[illegible]

San Geronimo SICAV (a)
 10000, L. 10000, Luxembourg 00 11.2

[illegible]

...the

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 673 4378 for more details.

[illegible]

[illegible]

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (May 16 / US\$)

(4 per cent)

Symbol	High	Low	Open	Close	Change
Argentine	21592.00	21444.00	21592.00	21592.00	195
Brazil	18327.21	18327.21	18327.21	18327.21	21
Canada	2321.10	2321.10	2321.10	2321.10	14
Chile	2321.10	2321.10	2321.10	2321.10	14
Colombia	2321.10	2321.10	2321.10	2321.10	14
Cuba	2321.10	2321.10	2321.10	2321.10	14
Ecuador	2321.10	2321.10	2321.10	2321.10	14
El Salvador	2321.10	2321.10	2321.10	2321.10	14
Guatemala	2321.10	2321.10	2321.10	2321.10	14
Honduras	2321.10	2321.10	2321.10	2321.10	14
India	2321.10	2321.10	2321.10	2321.10	14
Indonesia	2321.10	2321.10	2321.10	2321.10	14
Japan	2321.10	2321.10	2321.10	2321.10	14
Korea	2321.10	2321.10	2321.10	2321.10	14
Malaysia	2321.10	2321.10	2321.10	2321.10	14
Mexico	2321.10	2321.10	2321.10	2321.10	14
Nicaragua	2321.10	2321.10	2321.10	2321.10	14
Pakistan	2321.10	2321.10	2321.10	2321.10	14
Peru	2321.10	2321.10	2321.10	2321.10	14
Philippines	2321.10	2321.10	2321.10	2321.10	14
Poland	2321.10	2321.10	2321.10	2321.10	14
Romania	2321.10	2321.10	2321.10	2321.10	14
Russia	2321.10	2321.10	2321.10	2321.10	14
Saudi Arabia	2321.10	2321.10	2321.10	2321.10	14
Singapore	2321.10	2321.10	2321.10	2321.10	14
Slovakia	2321.10	2321.10	2321.10	2321.10	14
Slovenia	2321.10	2321.10	2321.10	2321.10	14
South Africa	2321.10	2321.10	2321.10	2321.10	14
Spain	2321.10	2321.10	2321.10	2321.10	14
Sweden	2321.10	2321.10	2321.10	2321.10	14
Switzerland	2321.10	2321.10	2321.10	2321.10	14
Taiwan	2321.10	2321.10	2321.10	2321.10	14
Thailand	2321.10	2321.10	2321.10	2321.10	14
Turkey	2321.10	2321.10	2321.10	2321.10	14
Ukraine	2321.10	2321.10	2321.10	2321.10	14
United Kingdom	2321.10	2321.10	2321.10	2321.10	14
USA	2321.10	2321.10	2321.10	2321.10	14
Vietnam	2321.10	2321.10	2321.10	2321.10	14
Zimbabwe	2321.10	2321.10	2321.10	2321.10	14

EUROPE

AUSTRIA (May 16 / S\$)

Symbol	High	Low	Open	Close	Change
ATX	1100.00	1090.00	1100.00	1100.00	10

BELGIUM (May 16 / Ffr)

Symbol	High	Low	Open	Close	Change
BEX	1100.00	1090.00	1100.00	1100.00	10

DENMARK (May 16 / Dkr)

Symbol	High	Low	Open	Close	Change
OMX	1100.00	1090.00	1100.00	1100.00	10

FINLAND (May 16 / Fmk)

Symbol	High	Low	Open	Close	Change
HEX	1100.00	1090.00	1100.00	1100.00	10

FRANCE (May 16 / Ffr)

Symbol	High	Low	Open	Close	Change
CAC	1100.00	1090.00	1100.00	1100.00	10

GERMANY (May 16 / DM)

Symbol	High	Low	Open	Close	Change
DAX	1100.00	1090.00	1100.00	1100.00	10

GREECE (May 16 / Dr)

Symbol	High	Low	Open	Close	Change
ASE	1100.00	1090.00	1100.00	1100.00	10

IRELAND (May 16 / Ir£)

Symbol	High	Low	Open	Close	Change
ISEQ	1100.00	1090.00	1100.00	1100.00	10

ITALY (May 16 / Lit)

Symbol	High	Low	Open	Close	Change
FTSE	1100.00	1090.00	1100.00	1100.00	10

NETHERLANDS (May 16 / Gld)

Symbol	High	Low	Open	Close	Change
AEX	1100.00	1090.00	1100.00	1100.00	10

NORWAY (May 16 / Nkr)

Symbol	High	Low	Open	Close	Change
OSLO	1100.00	1090.00	1100.00	1100.00	10

POLAND (May 16 / Zloty)

Symbol	High	Low	Open	Close	Change
WSE	1100.00	1090.00	1100.00	1100.00	10

PORTUGAL (May 16 / Escudo)

Symbol	High	Low	Open	Close	Change
BVL	1100.00	1090.00	1100.00	1100.00	10

ROMANIA (May 16 / Lei)

Symbol	High	Low	Open	Close	Change
BVB	1100.00	1090.00	1100.00	1100.00	10

RUSSIA (May 16 / Ruble)

Symbol	High	Low	Open	Close	Change
RTS	1100.00	1090.00	1100.00	1100.00	10

Rockwell Automation is leading technological innovation with more than 500,000 products for a broad spectrum of industries.

Rockwell

http://www.rockwell.com

INDICES

Symbol	May 16	May 15	May 14	High	Low
Argentina	21592.00	21444.00	21592.00	195	18327.21
Brazil	18327.21	18327.21	18327.21	21	2321.10
Canada	2321.10	2321.10	2321.10	14	2321.10
Chile	2321.10	2321.10	2321.10	14	2321.10
Colombia	2321.10	2321.10	2321.10	14	2321.10
Cuba	2321.10	2321.10	2321.10	14	2321.10
Ecuador	2321.10	2321.10	2321.10	14	2321.10
El Salvador	2321.10	2321.10	2321.10	14	2321.10
Guatemala	2321.10	2321.10	2321.10	14	2321.10
Honduras	2321.10	2321.10	2321.10	14	2321.10
India	2321.10	2321.10	2321.10	14	2321.10
Indonesia	2321.10	2321.10	2321.10	14	2321.10
Japan	2321.10	2321.10	2321.10	14	2321.10
Korea	2321.10	2321.10	2321.10	14	2321.10
Malaysia	2321.10	2321.10	2321.10	14	2321.10
Mexico	2321.10	2321.10	2321.10	14	2321.10
Nicaragua	2321.10	2321.10	2321.10	14	2321.10
Pakistan	2321.10	2321.10	2321.10	14	2321.10
Peru	2321.10	2321.10	2321.10	14	2321.10
Philippines	2321.10	2321.10	2321.10	14	2321.10
Poland	2321.10	2321.10	2321.10	14	2321.10
Romania	2321.10	2321.10	2321.10	14	2321.10
Russia	2321.10	2321.10	2321.10	14	2321.10
Saudi Arabia	2321.10	2321.10	2321.10	14	2321.10
Singapore	2321.10	2321.10	2321.10	14	2321.10
Slovakia	2321.10	2321.10	2321.10	14	2321.10
Slovenia	2321.10	2321.10	2321.10	14	2321.10
South Africa	2321.10	2321.10	2321.10	14	2321.10
Spain	2321.10	2321.10	2321.10	14	2321.10
Sweden	2321.10	2321.10	2321.10	14	2321.10
Switzerland	2321.10	2321.10	2321.10	14	2321.10
Taiwan	2321.10	2321.10	2321.10	14	2321.10
Thailand	2321.10	2321.10	2321.10	14	2321.10
Turkey	2321.10	2321.10	2321.10	14	2321.10
Ukraine	2321.10	2321.10	2321.10	14	2321.10
United Kingdom	2321.10	2321.10	2321.10	14	2321.10
USA	2321.10	2321.10	2321.10	14	2321.10
Vietnam	2321.10	2321.10	2321.10	14	2321.10
Zimbabwe	2321.10	2321.10	2321.10	14	2321.10

INDEX FUTURES

Symbol	May 16	May 15	May 14	High	Low
Argentine	21592.00	21444.00	21592.00	195	18327.21
Brazil	18327.21	18327.21	18327.21	21	2321.10
Canada	2321.10	2321.10	2321.10	14	2321.10
Chile	2321.10	2321.10	2321.10	14	2321.10
Colombia	2321.10	2321.10	2321.10	14	2321.10
Cuba	2321.10	2321.10	2321.10	14	2321.10
Ecuador	2321.10	2321.10	2321.10	14	2321.10
El Salvador	2321.10	2321.10	2321.10	14	2321.10
Guatemala	2321.10	2321.10	2321.10	14	2321.10
Honduras	2321.10	2321.10	2321.10	14	2321.10
India	2321.10	2321.10	2321.10	14	2321.10
Indonesia	2321.10	2321.10	2321.10	14	2321.10
Japan	2321.10	2321.10	2321.10	14	2321.10
Korea	2321.10	2321.10	2321.10	14	2321.10
Malaysia	2321.10	2321.10	2321.10	14	2321.10
Mexico	2321.10	2321.10	2321.10	14	2321.10
Nicaragua	2321.10	2321.10	2321.10	14	2321.10
Pakistan	2321.10	2321.10	2321.10	14	2321.10
Peru	2321.10	2321.10	2321.10	14	2321.10
Philippines	2321.10	2321.10	2321.10	14	2321.10
Poland	2321.10	2321.10	2321.10	14	2321.10
Romania	2321.10	2321.10	2321.10	14	2321.10
Russia	2321.10	2321.10	2321.10	14	2321.10
Saudi Arabia	2321.10	2321.10	2321.10	14	2321.10
Singapore	2321.10	2321.10	2321.10	14	2321.10
Slovakia	2321.10	2321.10	2321.10	14	2321.10
Slovenia	2321.10	2321.10	2321.10	14	2321.10
South Africa	2321.10	2321.10	2321.10	14	2321.10
Spain	2321.10	2321.10	2321.10	14	2321.10
Sweden	2321.10	2321.10	2321.10	14	2321.10
Switzerland	2321.10	2321.10	2321.10	14	2321.10
Taiwan	2321.10	2321.10	2321.10	14	2321.10
Thailand	2321.10	2321.10	2321.10	14	2321.10
Turkey	2321.10	2321.10	2321.10	14	2321.10
Ukraine	2321.10	2321.10	2321.10	14	2321.10
United Kingdom	2321.10	2321.10	2321.10	14	2321.10
USA	2321.10	2321.10	2321.10	14	2321.10
Vietnam	2321.10	2321.10	2321.10	14	2321.10
Zimbabwe	2321.10	2321.10	2321.10	14	2321.10

US INDICES

	New Issues			1957		Sales completion	
	May 15	May 14	May 13	High	Low	High	Low
Convertible	7335.55	7286.16	7274.21	7335.55	6391.69	7335.55	41.22
				(15/9)	(11/4)	(15/9/57)	97/92
Gov Bonds	102.31	102.16	102.17	103.63	101.08	102.77	100.50
				(15/9)	(14/9)	(15/9)	(15/9)
Insurance	2654.69	2616.61	2626.79	2654.69	2222.87	2654.69	15.23
				(12/9)	(9/1)	(12/5/97)	87/92
Utilities	2282.62	2221.62	2220.00	2405.05	2049.17	2346.46	16.53
				(21/1)	(25/4)	(15/9/65)	87/92
Int'l. Day's High 7286.63 (7287.10) Low 7254.99 (7255.08) (Thursdays)							
Int'l. Day's High 7336.43 (7336.10) Low 7324.01 (7323.08) (Thursdays)							
Standard and Poors							
Composite	841.88	836.04	833.13	841.88	773.51	841.88	4.40
				(15/9)	(9/1)	(15/9/57)	11/92
Industrial	981.82	982.69	981.00	981.82	885.42	981.82	3.32
				(15/9)	(14/4)	(15/5/97)	10/92
Financial	94.76	94.31	93.81	97.25	91.75	97.25	10.13
				(15/9)	(9/1)	(15/9/57)	10/92
U.S. Gov. PSE Comp.	472.85	456.90	453.97	472.85	396.47	472.85	4.94
				(15/9)	(11/4)	(15/5/97)	25/44
U.S. Corp.	550.47	531.97	578.50	603.88	541.80	617.61	524.26
				(10/9)	(8/4)	(25/5/96)	54/91
U.S. S&P Comp.	1353.58	1335.55	1333.90	1353.58	1237.00	1353.58	54.91
				(22/1)	(6/4)	(22/1/97)	10/974
RATIOS							
U.S. Gov. Int'l. Div. Yield				1.7	1.73	Apr 25	Year ago
				May 17	1.82	May 20	Year ago
• P & Int. Div. yield				1.69	1.72	1.75	1.82
• P & Int. Div. ratio				23.69	23.33	22.89	21.26
NEW YORK ACTIVE STOCKS							
TRADING ACTIVITY							
Tuesday	Stocks traded	Gain	Change	Volume (millions)			
	Price	up	down	May 15	May 14	May 13	May 12
NYSE	11,840,500	442	+34	New York SE	458,143	496,747	388,257
Amex	6,376,000	10	-1	Amer	1,085	1,040	1,335
Monr	8,450,000	429*	+5	NASDAQ	821,354	634,470	505,824
MoR	6,250,100	71*	-18	NYSE			
MoR	5,320,000	61*	-14	Boston Traded	3,341	3,222	3,353
MoR	3,320,000	10*	-1	MoR	1,265	1,265	1,310
MoR	4,380,700	62*	-11*	Falls	1,174	999	1,326
MoR	4,938,400	36*	+5*	Unchanged	882	848	853
MoR	4,257,400	40*	+7*	New Rights	106	162	144
MoR	2,843,900	34*	+19*				

COMPANIES AND FINANCE

Amstrad planning Betacom transfer

By Alan Cane

Amstrad, Mr Alan Sugar's UK-based electronics group, is considering giving its entire holding in Betacom, worth about £30m (£48.6m) to its investors to honour commitments to improve shareholder value.

Betacom, also chaired by Mr Sugar, is a publicly quoted telephone equipment manufacturer with a market capitalisation of £46m; Amstrad controls a majority stake.

Amstrad indicated last month that it was seeking ways to return value to its shareholders "through a tax efficient mechanism".

However, the latest proposal disappointed some analysts who had been anticipating a special dividend. They speculated that Amstrad shareholders would have preferred cash to paper.

Amstrad's shares rose 2p to 261½p on the news, while Betacom's dipped 4½p to 64½p.

The announcement follows a realignment of assets within Amstrad and its subsidiaries which essentially brings the curtain down on the Essex-based company as a consumer electronics manufacturer and marketer.

It is selling its consumer electronics business, including its expanding satellite unit, to Betacom, in which it holds a 65.4 per cent stake, for about £5.5m. Betacom said it would pay for the unit through the issue of 9.49m shares, lifting

Amstrad's stake to 69.7 per cent.

Assets transferred to Betacom include the Amstrad, Fidelity, Sinclair and Integra brands together with the related patents and intellectual property rights. Betacom will assume responsibility for all contractual obligations.

Amstrad said it believed Betacom would benefit from outright ownership of the brands, patents and technical expertise. "The acquisition of the Amstrad satellite

business and its related inventory is consistent with Betacom's plans to expand its operations into related areas," the company said.

The deal requires shareholder approval. If granted, Amstrad will be left with ownership of Viglen, the personal computer division, some smaller communications companies, and about £200m cash. That could be swelled by a further £100m if damages awarded to the company in London last week against Seagate Tech-

nologies, a US disc drive manufacturer, are upheld.

Mr Sugar has been streamlining Amstrad for some months. In April it sold Dancall, a manufacturer of mobile phones, to Robert Bosch of Germany for £82m. The sale netted a paper profit of £86m.

Dancall had been considered the jewel in Amstrad's crown and the sale was taken as evidence that Mr Sugar was determined to dispose of the remaining parts of the business.

NEWS DIGEST

Jarvis in joint venture talks

Jarvis, the UK facilities management, construction and property group, is discussing a possible joint venture in railway infrastructure services with Reliast, a management buy-out company in the sector.

The venture will involve Jarvis Facilities, a track maintenance company formerly called Northern Infrastructure Maintenance Company which it acquired a year ago. The venture would mean Jarvis entering the related field of track renewal.

Reliast consists of two track renewal companies, Scotland Track Renewals and Western Track Renewals. They and NIMCo were sold in the privatisation of British Rail Infrastructure Services, which the government split into track renewal companies and track maintenance companies.

Track maintenance companies have large labour forces for carrying out repairs, while track renewal companies have heavy capital equipment and smaller workforces. A venture between the two would be able to make efficient use of manpower and have a greater geographical reach in the scheme both Jarvis and Reliast would remain separate companies, but both would have stakes in a new entity.

The railway infrastructure companies can bid for contracts with Railtrack, the quoted track operator. Reliast was a management buy-out in February 1996 with Hambro European Ventures as its biggest institutional investor. It has turnover of about £60m and is responsible for 6,000 miles of track.

James Burton

Chamberlain Phipps sale

The materials business of Chamberlain Phipps, the UK footwear group which went into receivership last August, has been bought by a management team for an undisclosed sum.

Mr John Fallon, formerly finance director at British Shoe Corporation, is joining as managing director and buying the business, to be named Chamberlain Phipps Materials, together with existing management. Lloyds TSB is providing £2m in working capital.

The business accounted for about £38m of Chamberlain's turnover of £140m in the year to April 1 1996 - the last year for which results were filed. The French business, the largest operation, was sold before the company went into receivership.

Chamberlain was placed in receivership with debts of £47.5m just two years after it floated with a value of almost £70m.

Virginia Marsh

'Good progress' at Express

Lord Stevens, chairman of the UK-based United News & Media, said yesterday the circulation of The Express had stabilised and weekday sales had exceeded the second half of last year in each of the first four months of this year.

"I am pleased to report that The Express is making good progress. Its redesign is being well received by readers," he told the annual meeting yesterday. United was also planning to launch 30 new "pick-up" magazines in the US this year.

Lord Stevens conceded that the strength of sterling would affect the average rates used for the translation of foreign currency profits.

Raymond Snoddy

Tring meeting on June 16

Tring International, the UK budget music company, yesterday said the EGM called by rebel shareholders and founders Mr Mark Frey and Mr Jay Chernow, would be held on June 16.

Mr Frey and Mr Chernow are trying to replace the board, which includes chief executive Mr Philip Robinson, an old school friend of Mr Frey. The board is recommending rejection of the proposal.

National Power sells Southern holding

By Simon Holberton

National Power, the UK's biggest electricity generator, yesterday took a loss of about £1.5m (£7.29m) on the sale of its 8 per cent stake in Southern Electric, the regional electricity company. It acquired the shares a year ago during its unsuccessful bid for the company.

NP sold 38.6m Southern shares to HSBC James Capel in an overnight auction held by Schroders for 418p a share, raising a gross £161.5m.

More than a year ago the generator acquired the shares in the run-up to its bid. Mr Ian Lang, then trade and industry secretary, blocked the bid. Southern's share price then fell, leaving NP carrying a loss of about £50m on the stake.

It bought the holding at an average 970p a share, equal to 430p a share taking into account dividends and a capital reconstruction.

NP put a condition on the sale that a corporate buyer could not acquire more than 3 per cent. Southern is NP's biggest customer and the generator was content that it sold when no predators were stalking the company.

Southern is the last independent regional electricity company of the 12 sold by the government in 1990. NP had provided for a loss of £57m relating to the purchase of Southern shares, its bid costs and defence against a possible offer from the Southern Company of Atlanta. It ought to be able to write back about £50m.

Fine Art to spin off cards side

By Charles Gresser

Fine Art Developments yesterday announced plans to demerge its card division from its mail order business in an attempt to be better understood by the City and improve management focus.

The shares jumped 35½p, or 15 per cent, to 276p. Last autumn they tumbled 45 per cent after a warning about mail-order sales.

The demerger, which the UK company hopes could be effective before the end of 1997, will give investors a share in both businesses for every share they hold in Fine Art.

Analysts welcomed the move, pointing out that even on yesterday's rise, the shares were trading at a near-40 per cent discount to the market. "It's just worth more than that," said one.

The company also reported a 55 per cent drop in pre-tax profits for the year to March 31 to £24.2m (£39.2m), after an exceptional disposal loss of £5.9m. Operating profits on continuing operations fell 22 per cent to

£40.2m, on turnover of £359.8m (£362.6m).

Operating profits in the mail order division fell 32 per cent to £18m on static sales, while the card division suffered a 10.5 per cent profit fall to £22m because of restructuring costs.

Mr Keith Chapman, chairman, who owns 8 per cent of the company, plans to stay with the mail order division as executive chairman.

He said: "It's been difficult for the City to understand us. Manufacturing greeting cards needs different management skills to selling gifts on mail order."

The company's borrowings, which fell from £70.6m to £58.5m, will be apportioned roughly equally between the two divisions.

Earnings per share after exceptional items were 17.5p (43.5p).

A final dividend of 12.5p gives an unchanged total of 16.5p. Mr Chapman said that although the level of dividend cover was low, the board had not considered a cut in the dividend necessary.



Keith Chapman (left) and Tony Johnson, managing director: 'It's been difficult for the City to understand us'

RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Date of payment	Dividends Dividend (p)	Total for year	Total last year
Chrysalis	8 mths to Feb 28	50.3 (58.3)	1.47p (2.98p)	6.19 (9.26p)	-	-	-	2.75
First Air News	Yr to Mar 31	384.2 (384.8)	24.2p (53.2p)	17.27 (43.86)	12.8	July 4	12.8	16.5
Lox	Yr to Dec 31	0.064 (-)	5.87p (-)	27.1 (-)	-	-	-	-
Ocean Wilsons	Yr to Dec 31	77.3 (84.5)	7.38 (7.71)	11.99 (17.63)	3.75	June 20	3.5	4.5
PSIT	Yr to Mar 31	-	-	-	2.5	June 5	3.75	5
Supermarkets	Yr to Dec 31	3.41 (4.1)	0.137p (0.28p)	1.14p (3.13)	-	-	1.3	2
Western Selects	5 mths to Mar 31	0.154p (0.098p)	0.094p (0.05p)	0.25 (0.18)	-	-	-	-
Investment Trusts	NAV (p)	Attributable Earnings (£m)	EPS (p)	Current dividend (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Albany	Yr to Feb 28	185.87 (167.79)	0.515 (0.565)	5.05 (5.84)	3.45	July 3	3.35	5.05
City of Oxford	Yr to Mar 31	30.3 (28.3)	1.71 (1.89)	5.88 (5.59)	1.7	June 30	1.7	5.6
Overseas	6 mths to Mar 31	469.4 (474.7)	0.516 (0.481)	1.35 (1.26)	1.05	June 10	0.95	3.7

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. *After exceptional charge. *After exceptional credit. *Clean stock. *SUS currency. *Total income. *Comparatives restated.

ISSUE OF £1,500,000,000

8% TREASURY STOCK 2021

INTEREST PAYABLE HALF-YEARLY ON 7 JUNE AND 7 DECEMBER
FOR AUCTION ON A BID PRICE BASIS ON 22 MAY 1997

PAYABLE IN FULL WITH APPLICATION

With a competitive bid
With a non-competitive bid

Price bid plus accrued interest
£118 per £100 nominal of Stock

Application has been made to the London Stock Exchange for the Stock to be admitted to the Official List on 23 May 1997.

Auction of Stock

1. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND invite bids for the above Stock.

General

2. This prospectus is issued under the arrangements described in the Information Memorandum for Issues of British Government Stock published by the Bank of England on 27 March 1997 (the "Information Memorandum"). The terms of the Information Memorandum apply to the above Stock and to the auction described in this prospectus except where expressly varied.

Maturity

3. The Stock will be repaid at par on 7 June 2021.

Interest

4. Interest is payable half-yearly on 7 June and 7 December. The price payable for this further issue of the Stock will include an amount equal to accrued interest from 7 December 1996 (the last interest payment date of the Stock) to 23 May 1997 (the settlement date of this further issue) at the rate of £3.66027 per £100 nominal of Stock. This further issue of the Stock will rank for the full six months' interest due on 7 June 1997.

National Savings Stock Register

5. The Stock may be held on the National Savings Stock Register.

FOTRA exemptions

6. The Stock and the interest payable on it will benefit from the exemptions in favour of non-resident holders described in paragraph 20 of the Information Memorandum (FOTRA stocks first issued prior to 29 April 1996).

Gross payment of interest

7. Interest will be paid without deduction of income tax pursuant to a direction under section 50 of the Income and Corporation Taxes Act 1988.

Stripping

8. The Stock is potentially stripable: paragraphs 6 and 7 of the Information Memorandum therefore apply.

Methods of application

9. Bids may be made on either a competitive or non-competitive basis in accordance with paragraphs 8 to 16 of the Information Memorandum.

Non-competitive bids

10. The amount payable on application in the case of a non-competitive bid (except in the case of a non-competitive bid made by a gilt-edged market maker), in accordance with paragraph 12(ii) of the Information Memorandum, is £118 per £100 nominal of Stock.

Latest times for receipt of applications

11. Application forms must be sent to the Bank of England, New Issues, PO Box 444, Gloucester, GL1 1NP to arrive not later than 10.30 AM ON THURSDAY, 22 MAY 1997; or lodged by hand at the Central Gilt & Money Markets Office, Bank of England, Threadneedle Street, London not later than 10.30 AM ON THURSDAY, 22 MAY 1997; or lodged by hand at any of the Branches or Agencies of the Bank of England not later than 3.00 PM ON WEDNESDAY, 21 MAY 1997. Gilt-edged market makers may bid by telephone to the Bank of England not later than 10.30 AM ON THURSDAY, 22 MAY 1997.

Bids irrevocable

12. Bids will not be revocable between 10.30 am on Thursday, 22 May 1997 and 10.00 am on Wednesday, 28 May 1997.

BANK OF ENGLAND
LONDON
13 May 1997

APPLICATION FORM FOR
8% TREASURY STOCK 2021

Complete Section 1 or 2, plus Sections 6 and 8. Sections 3, 4, 5 and 7 should also be completed where appropriate.
TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND
I/We apply in accordance with the terms of the prospectus for competitive and non-competitive bids dated 13 May 1997 and the Information Memorandum for Issues of British Government Stock dated 27 March 1997 as follows:-

FOR COMPETITIVE BIDS ONLY

(ie for Stock to be purchased at the price bid plus accrued interest)
See notes (a) and (b) below.

Nominal amount of 8% Treasury Stock 2021 applied for:

Amount of Stock applied for Multiple £

£200,000-£1,000,000 £1,000,000

£1,000,000 or greater £1,000,000

Price bid per £100 nominal of Stock, being a multiple of 1/32nd of £1:

£ 32nds

PLUS accrued interest at the rate of £3.66027 per £100 nominal of Stock:

£ p

Total amount payable per £100 nominal of Stock (excluding accrued interest):

£ p

Amount required for payment IN FULL AT THE PRICE BID PLUS ACCRUED INTEREST:

£

FOR NON-COMPETITIVE BIDS ONLY

(ie for Stock to be purchased at the non-competitive sale price, plus accrued interest, as defined in the Information Memorandum)
See notes (c) and (d) below.

Nominal amount of 8% Treasury Stock 2021 applied for, being a multiple of £1,000, with a minimum of £1,000 and a maximum of £500,000 nominal of Stock:

£

Sum enclosed, being £118 for every £100 NOMINAL of Stock applied for:

£

FOR CGO MEMBERS ONLY

CGO Participant Number

Name of Contact Telephone Number

REGULATED FINANCIAL INSTITUTIONS ONLY

(unless Section 3 applies)

Name of Regulator

Membership/Reference Number

Country/Territory of Regulator

THIS SECTION TO BE COMPLETED BY APPLICANTS ACTING AS AGENT FOR ANY THIRD PARTY

(unless the applicant is a CGO member or is a UK or EEA regulated financial institution, and Section 3 or 4 has been completed)

Full name and permanent address of each third party:

FORENAME(S) AND SURNAME(S) ADDRESS (including postcode)

If additional space is required, please continue on separate sheet.

THIS SECTION TO BE COMPLETED BY ALL APPLICANTS

I/We request that Stock sold to me/us be registered in the undermentioned name(s) and that any certificate be sent by post at my/our risk to the first named holder at the address shown below.

IN THE CASE OF A NON-COMPETITIVE APPLICATION, I/we warrant that to my/our knowledge this is the only non-competitive application made for my/our benefit (or for the benefit of the person(s) on whose behalf I am/we are applying).

IN THE CASE OF AN APPLICATION BY A MEMBER OF THE CGO SERVICE WHO HAS COMPLETED SECTION 3, we request that any Stock allocated to us be credited direct to our account at the CGO. We hereby irrevocably undertake to accept such Stock by member-to-member delivery through the CGO Service from the Governor and Company of the Bank of England, Number 2 Account (Participant number 5183) by the deadline for such deliveries on 23 May 1997, and we agree that the consideration to be input in respect of such delivery shall be the amount payable by us on the sale of such Stock in accordance with the terms of the prospectus.

IN THE CASE OF AN APPLICATION MADE ON BEHALF OF A THIRD PARTY, I/we have obtained and recorded evidence of the identity of each person on whose behalf I am/we are applying, and I/we will on demand make such evidence available to the Bank of England and the relevant authority.

SIGNATURE(S) of, or on behalf of, applicant

Date

DETAILS OF APPLICANT(S)

(If not the person(s) in section 5)

FORENAME(S) AND SURNAME(S) ADDRESS (including postcode)

REGISTRATION DETAILS

Stock may be registered in the names of individuals or a corporate body.

CAPITAL LETTERS PLEASE

Title Forename(s) in full Surname

Address

Postcode

Title Forename(s) in full Surname

Address

Postcode

Daytime Telephone Number (in case there is a query)

FOR BANK OF ENGLAND USE

Box No. 712

Transaction Number 163

New Account No.

Cert. Posted Date

هكذا من النجف

US West has set a high priority on winning an investment-grade credit rating for the business. However, the company is expected to assume more debt, along with a new batch of cable systems, through a long-awaited deal to untangle its relationship with Time Warner.

For further information please contact
Jon Banks on 0171 873 4744,
Fax 0171 873 3098

Ebner pays \$700m for stake in Winterthur

By William Hall in Zurich

Mr Martin Ebner, Switzerland's best-known corporate predator, has spent more than \$700m to acquire a 14.5 per cent stake in Winterthur, Switzerland's third-biggest insurer, whose performance has lagged behind that of its bigger rivals.

BK Vision and Stillhalter Vision, two publicly quoted investment funds controlled by Mr Ebner, have acquired the stake in Winterthur this year. Clients linked to the funds control another 5.5 per cent.

Winterthur's shares have risen nearly 50 per cent this year and the value of the 20 per cent stake controlled by Mr Ebner is currently about \$720m.

Mr Ebner has built up large stakes elsewhere in Swiss financial services. He has been involved in a battle with the management of UBS, Switzerland's most powerful bank, because he believes they have not managed it in the best interests of shareholders.

Mr Ebner's staff insisted



Martin Ebner: has been involved in battle with UBS

that his latest move was a "friendly" investment in a company with potential.

They said the investment in Winterthur was made because the company's decision to adopt a more focused approach since 1992 had not been fully reflected in its share price. Mr Ebner believes the Swiss financial industry is poised to consolidate.

Winterthur has close ties with Credit Suisse, seen by

analysts as a possible partner for the insurer.

In spite of Mr Ebner's assurances about Winterthur, the acquisition of a sizeable stake might be seen as a potentially hostile move. "Winterthur's name has been associated with a number of potential predators because it's quite big and not very profitable," said an insurance analyst.

Winterthur has diverse interests including a life assurance business which last year had premium income of \$5.8bn. It owns Churchill, the UK-based motor insurer. The group lifted net profits in 1996 by 21 per cent from \$141m to \$170m.

BK Vision and Stillhalter Vision owned no shares in Winterthur before this year. No shareholder had a stake of more than 5 per cent in Winterthur at the end of last year.

The funds' purchase of the shares was financed in part by the sale of UBS stock. Mr Ebner, however, increased his options position so the exposure to UBS's shares remained the same.

BP aims for \$1bn from solar energy equipment

By Leyla Boulton, Environment Correspondent

British Petroleum, regarded as one of the most environmentally aware oil companies, will announce on Monday that it plans to increase its sales of solar energy equipment from \$100m to \$1bn a year over the next decade.

Mr John Browne, chief executive, will reveal the target in a speech at Stanford University, California, on global warming, thought by scientists to be caused largely by fossil fuel consumption.

Mr Browne will acknowledge that solar power is not yet commercially viable in most applications. But he will argue that it can become a "competitive" supplier of electricity in the next decade with "appropriate public support and investment".

Mr Browne will announce that the company is to open its first US solar equipment factory at Fairfield, California, this year.

The plant, which will be one of the largest of its kind, will produce a new kind of glass-based photovoltaic panel which is cheaper to manufacture than its silicon-based predecessor.

Solar power was briefly popular after the oil crises of the 1970s, but then fell out of favour on economic grounds. BP created its solar subsidiary in 1981 and has stayed with the technology as equipment costs have fallen sevenfold.

BP Solar is the world's third largest company in the sector, with factories in Madrid and Sydney, and joint ventures in Bangkok, Riyadh, and Bangalore.

Mr Browne will say that "the frontier of commercial viability is always changing. Our aim is to expand that reach, not least in the developing world, where demand is growing very rapidly."

Solar panels are already commercially viable for the electrification of remote communities in the third world.

'Arson' hint, Page 5

THE LEX COLUMN

Flying Footsie

How long can the euphoria last? The UK Labour party, traditional scourge of the financial community, has made a dramatic debut. The FTSE 100 index has risen 5 1/2 per cent since the election, and equity strategists have been scrambling to raise their year-end forecasts. Clearly Mr Tony Blair has won the right times and the market has been in the mood to listen. The masterstroke, which provided a massive fillip to sentiment, was the surprise early move to grant the Bank of England independence.

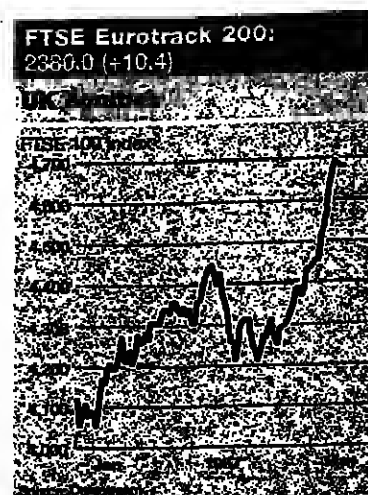
Next week, however, could see the honeymoon interrupted. There is a good chance the US Federal Reserve will raise interest rates. This will hurt US share prices, and the UK will not escape the fall-out. Beyond that, two further difficulties loom. One is the mini-budget, perhaps due as soon as June 10. A windfall tax on the utilities is in the market, but other taxes on the corporate sector, such as reducing the tax credit on dividends, are not. They may remind investors that when the puppy-love phase is over, Labour still has teeth. And despite sterling's recent retreat, it could dampen earnings more than currently forecast.

Still, while these factors will slow the pace of advance, they should not drive the market into reverse. The earnings and dividend outlook is supportive, and the likely continuation of the rally in gilts provides a very positive backdrop. With few concerns about valuation, a target of 5,000 for the FTSE 100 at the year end up from around 4,700 now, seems reasonable.

Gallaher/Imperial

The British investing public will soon be awash with tobacco. When American Brands demerges Gallaher on May 30, few of its shareholders are likely to want shares in a UK tobacco company. And unlike Alliance & Leicester, British institutions will not have to invest in it to maintain portfolio balance. This could depress the prices of Gallaher and Imperial Tobacco - which will face arbitrage with its arch competitor - to attractive levels.

But which is the one to own? The choice is between Gallaher's smooth management and focus on brands, and Imperial's rough and ready approach and obsession with sweating assets. With UK cigarette volumes declining by some 2 per cent a year, prizes will go to the operator which holds UK



sales while finding new markets.

Imperial has the better record on profits and productivity. Gallaher has stronger brands, with Benson & Hedges and Silk Cut leading the premium segment of the market. But it, as it has promised, the government outlaw cigarette advertising. Gallaher's much-vaunted marketing abilities will count for less. Besides, premium brands have been losing out to cheaper ones. Higher duty and an advertising ban could only encourage this trend. Imperial's international strategy is also lower risk, albeit with lower potential rewards, and it has a firmer commitment to dividend growth. Both companies have the appeal of cash machines. But when the smoke clears from Gallaher's demerger, Imperial looks like the one to be holding.

Credit companies

The government is obviously still new enough to frighten the markets. Talk of a crackdown on companies that lend at high interest rates to people on low incomes yesterday knocked 57 per cent off the shares of the UK's four quoted weekly collected credit companies - Provident Financial, Cattle, London Scottish Bank and S&U.

These companies do charge some breathtaking rates - the APR on a six-month loan can be over 160 per cent against 15 per cent for a similar bank loan. But they take higher risks. Their loans are unsecured and had debts typically run at 5 per cent of the portfolio against 0.4 per cent or so for banks. And they are not making excess profits: Provident Financial's 30 per cent return on equity last year was below that

of Lloyds TSB. In any case, the 8m people who use this type of credit would not qualify for a bank loan. So stamping on this industry, for instance by capping interest rates as in Italy, would merely drive business underground.

In fact, the government's real target appears to be so-called non-status lenders, which are more aggressive than the credit companies and impose punitive charges if repayments are late. That leaves Provident and its peers looking a little maligned and a little cheap.

UK corporate tax

One unhappy consequence of Britain's wide-ranging corporate tax review is the bizarre suggestions it is prompting. Take the latest rumour - that the chancellor might not slash shareholders' advance corporation tax (ACT) credit but instead go for something more novel. He could, say, let companies offset only a share of their ACT bill against mainstream corporation tax. Alternatively a new ceiling could be imposed on the amount of ACT which can be offset. Either way the idea would be to penalise dividend payments, supposedly to encourage investment.

Let us hope not. Imagine, for instance, that a new ACT ceiling were introduced. To many companies - those below the ceiling - this would make not the slightest difference. But the rest would have a powerful incentive to cut dividends back to the ceiling. One result would be precious little additional cash for the government. Another, as with dividend controls in the past, would be a compelling excuse for sub-optimal investment. Utilities would start buying hotels again.

What about cutting the share of ACT companies can reclaim? This should be seen as what it is: an increase in corporation tax for all companies; the higher the dividend payout, the higher the rate. Instead of removing an existing tax distortion - the institutional bias towards dividends - a new countervailing one would be added. Again it would encourage lousy investments.

But, some say, might it not do less damage to share prices than just cutting the ACT credit? Perhaps. It is true that a straight ACT cut could have an exaggerated impact thanks to actuaries' potty valuation methods. But fundamentally, £1 nabbed from the corporate sector by the government is worth £1 whatever the mechanism.

Eurotunnel shareholders may get dividend by 2006

By Ross Tieman in London

Eurotunnel hopes to pay its first dividend to shareholders in 2006, if its £8.54bn (\$14bn) financial restructuring is approved by its shareholders and bankers.

Documents to be sent to shareholders of the Channel tunnel company later this month are expected to show that it hopes to break into profit by 2006 or 2007.

But analysts say that if revenues fail to grow as fast as expected, a dividend could be delayed until 2011.

Brokers believe the company will have to show its most upbeat projections are credible to persuade its 700,000 investors to back the refinancing.

Many of the company's 600,000 French private share-

holders are furious at the fall in the company's share price. The shares, which peaked at 88p in 1989, closed yesterday at 70p, up 1/2p.

They are also deeply sceptical about a restructuring that would convert part of Eurotunnel's £8.54bn of debt into shares, and leave its main creditors - banks and distressed debt funds - with up to 60.6 per cent of the equity.

Mr Patrick Ponsolle and Mr Robert Malpas, Eurotunnel's co-chairmen, are expected to warn that unless investors back the reconstruction, Eurotunnel will be plunged into insolvency, and shareholders would probably be left with nothing.

Holders of more than a quarter of Eurotunnel's equity must vote at an extraordinary meeting in Paris on July 10 if

the deal is to be approved. The full resumption of freight shuttle services is critical to the company's hopes of achieving profits by 2006 or 2007. They were suspended in November after a fire.

Analysts say concern over the safety of open-jawed rail wagons could derail profit projections. One said: "It is still 50-50 whether they [Eurotunnel] will get the go-ahead for full freight operation before the July meeting."

Revenue projections apparently assume significant rationalisation of rival ferry services across the Channel.

They also assume the completion of high-speed links between Brussels and Lille by the end of this year, and with London by the end of 2003.

'Arson' hint, Page 5

Companies in this issue

Amstrad	22	FirstBus	18
Antofagasta	22	Gallaher	24
BK Vision	24	Hewlett-Packard	23
BP	24	Imperial Tobacco	24
BT	23	Jarvis	22
Bass	18	Kleinwort Benson	23
Betacom	22	Kvaerner	23
Burton	16	Marubeni Corp	22
Chilain Philippe	22	Mitsui	22
DHL	5	Nat Australia Bank	5
Deutsche Telekom	2	National Power	22
Drescher Bank	23	NetScape	22
Eurotunnel	5, 24	Next	18
Fine Art	22	Nippon Mining	22

Markets latest

FTSE 100	4,889.9	(+12.7)
Yield	4.47	
FTSE Eurotrack 100	2,362.25	(+23.3)
FTSE All-Share	2,230.98	(+0.2)
Nikkei	20,294.73	(+288.4)
New York S&P 500	7,286.74	(-47.8)
S & P Composite	937.96	(-4.22)
LONDON MONEY		
3-mo Interbank	0.1%	(+325)
Life long gilt	4.11%	(Jun11/97)
US LUNCHTIME RATES		
Federal Funds	5.25%	
3-m Time S&P Yld	5.18%	
Long Bond	6.89%	
Yield	6.89%	
NORTH SEA OIL (Argus)		
Brent Dated	\$19.74	(18.16)
GOLD		
New York Comex (May)	\$348.9	(\$47.6)
London	\$344.25	(\$48.65)

STERLING		
New York: lunchtime	\$	1.6685
London:		
\$	1.6375	(1.6404)
DM	2.774	(2.7859)
FF	6.345	(6.351)
Sfr	2.281	(2.2828)
Y	168.245	(168.444)
Ender	95.8	(96.0)
DOLLAR		
New York: lunchtime		
DM	1.6685	(1.6685)
FF	5.7088	(5.7207)
Sfr	1.418	(1.4243)
Y	115.40	(115.1)
London:		
DM	1.6641	(1.6683)
FF	5.7088	(5.7207)
Sfr	1.418	(1.4243)
Y	115.325	(115.1)
\$ Index	101.6	(102.5)
Tokyo close	Y 116.45	

FT WEATHER GUIDE

Europe today

The Low Countries, France and parts of Germany will have a warm day with maximum temperatures of between 25C and 29C. A few heavy thunder showers will develop over northern France, Belgium and the Netherlands, bringing a risk of hail and gusty winds.

The British Isles will be mainly cloudy with thunder showers over northern areas.

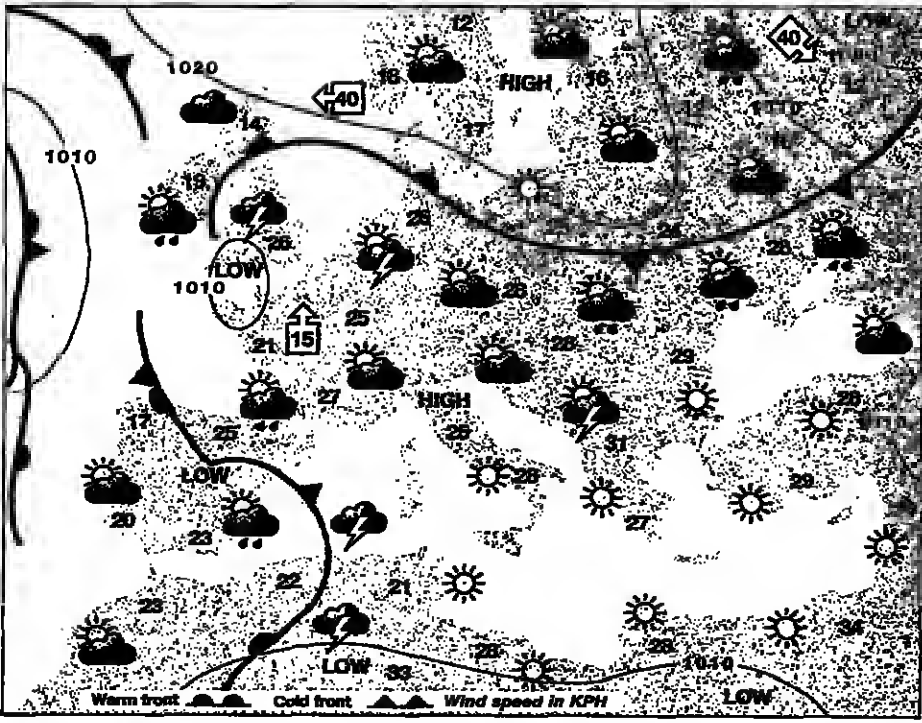
North-eastern Spain will be showery, while Italy will have plenty of sun. The interior of Greece and Turkey will have isolated thunder showers, but the Greek islands will be sunny. Northern Europe will be cool and dry.

Five-day forecast

Spain and Portugal will be very unsettled during the next couple of days. The Low Countries, France and Germany will have frequent thunder showers, some of them heavy. Northern Europe will stay cool and will become increasingly showery.

TODAY'S TEMPERATURES

Madrid	22	Beijing	18
Cairo	28	Batavia	28
Colombo	28	Belgrade	28
Accra	28	Berlin	28
Algiers	28	Bombay	28
Amsterdam	28	Bogota	28
Athens	28	Bombay	28
Atlanta	28	Brussels	28
B. Aires	28	Budapest	28
B. East	28	Chengdu	28
Bangkok	28	Cairo	28
Barcelona	28	Cape Town	28



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

sun 31	Paris	22	sun 31	Madrid	22
sun 31	Frankfurt	22	sun 31	Majorca	22
sun 31	Geneva	22	sun 31	Malta	22
sun 31	Gibraltar	22	sun 31	Manchester	22
sun 31	Glasgow	22	sun 31	Marseille	22
sun 31	Hamburg	22	sun 31	Medan	22
sun 31	Helsinki	22	sun 31	Mexico City	22
sun 31	Hong Kong	22	sun 31	Miami	22
sun 31	Honolulu	22	sun 31	Montreal	22
sun 31	Island	22	sun 31	Moscow	22
sun 31	Jakarta	22	sun 31	Munich	22
sun 31	Jersey	22	sun 31	Nairobi	22
sun 31	Karachi	22	sun 31	Nagasaki	22
sun 31	Kuala Lumpur	22	sun 31	Nassau	22
sun 31	Las Palmas	22	sun 31	New York	22
sun 31	Lima	22	sun 31	Nice	22
sun 31	Lisbon	22	sun 31	Nicosia	22
sun 31	London	22	sun 31	Osaka	22
sun 31	Luxembourg	22	sun 31	Paris	22
sun 31	Lyons	22	sun 31	Perth	22
sun 31	Madrid	22	sun 31	Prague	22
sun 31	Manila	22	sun 31	Rangoon	22
sun 31	Medan	22	sun 31	Riyadh	22
sun 31	Mexico City	22	sun 31	Rome	22
sun 31	Miami	22	sun 31	S. Francisco	22
sun 31	Montreal	22	sun 31	Singapore	22
sun 31	Moscow	22	sun 31	Stockholm	22
sun 31	Munich	22	sun 31	Strasbourg	22
sun 31	Nairobi	22	sun 31	Sydney	22
sun 31	Nagasaki	22	sun 31	Taipei	22
sun 31	Nassau	22	sun 31	Tel Aviv	22
sun 31	New York	22	sun 31	Tokyo	22
sun 31	Nice	22	sun 31	Toronto	22
sun 31	Nicosia	22	sun 31	Vancouver	22
sun 31	Osaka	22	sun 31	Venice	22
sun 31	Paris	22	sun 31	Vienna	22
sun 31	Perth	22	sun 31	Warsaw	22
sun 31	Prague	22	sun 31	Washington	22
sun 31	Rangoon	22	sun 31	Wellington	22
sun 31	Riyadh	22	sun 31	Winnipeg	22
sun 31	Rome	22	sun 31	Zurich	22
sun 31	S. Francisco	22			

We wish you a pleasant flight.

Lufthansa

THE ONLY THING BOSNIAN LAND MINES HAVEN'T STOPPED RUNNING IS ADS LIKE THIS.

War in Bosnia, with all its fear, injury and death has now been replaced by peace in Bosnia, with all its fear, injury and death.

The reason for this, is the 4 million unexploded land mines that now litter the former Yugoslavia. Currently they kill or maim around 10 children a week.

This is why at Children in Crisis, we're in the process of creating safe play areas, filled with climbing frames, scramble nets and basketball hoops, where children can run and play sports without worrying that they will come to any harm. But to undertake this daunting task, we urgently need your help. So for more information on our valuable work and to make a donation, call 0171 978 5801. Or as little as £10 per child, we can help create a safe play area.

Please give generously. Bosnian land mines can't stop this ad running. But you can.

children in crisis



Lovable slugger
'I'll probably die an absolute pauper but I'll have had a hell of a time.'



Murderous melting pot
'If I had had a derringer in my handbag I might have shot him between the eyes, such was my crossness.'



Village-city living
'There are people who like their garden, but I'm happy sitting on my balcony.'
A focus on City and Docklands property

Page IX

Page XXIV

Pages XII-XV

Death of the Salaryman

The selfless, salaried samurai, one-time superstar of Japan's golden economic era, is now a misfit, shunned by company and family, says Michiyo Nakamoto

The salaryman. The man in the blue synthetic suit. The selfless, salaried samurai whose office efforts were dedicated to the causes of company and country, whose family name was proudly placed second to that of Mitsui, Sumitomo and Mitsubishi.

The rustless cog in the machine that dragged the country from deprivation to domination in four decades. The almost perfect employee whose eternal devotion was reciprocated by company and borrowed by the makers of western management manuals. The "model worker" of capitalist realism and a national hero.

Even at its peak, the corporate cult of the salaryman was unglamorous. Every morning, dressed in a nondescript two-piece, perhaps bought at a nondescript retailer called Taka-Q, and clutching a worn-leather briefcase, the hurried salaryman could be seen walking briskly or pedalling his bicycle to the nearest train station in Greater Suburbia, Japan.

The ride into town was an hour-long journey of guaranteed, clammy claustrophobia in a carriage smelling of too much hair grease and yesterday's sake. The reward for the journey was a seat at a long desk with built-in hierarchy.

The superior salaryman, the section chief, whose job you craved, sat to the left and lorded over you in the same way that you lorded over the more junior colleague on your right. The burden was carried into the bar after work, where deference hardly dissipated after three drinks.

But, even for those aware that the prestige came with pain, there were social certainties that doubled as the pillars of personality. Throughout the golden era of Japanese economic growth, the salaryman knew that as long as he worked as hard as the next man, and didn't leave the office too early, his job was rock-solid secure, his income would



CUMMINGS

rise inevitably with seniority, his living standard would improve, and his identity was clearly and perpetually defined.

Tumult was worn out. For some time, it had become burdensome to talk or play with his children. Nor could he keep his wife company. "I have many more years to live like this!"

The Baby Boom Generation, Taichi Sakaiya.

The salaryman is still sitting by the window, contemplating the clock, watching for executive movements in the

corridor, while the world is passing him by. Japan has risen, inspired a paranoia in the US and Europe, and peaked. Japanese companies, like their western counterparts, are up against hungry, low-rent competitors in east Asia. The economic fundamentals are not favourable and lifetime employment is an unaffordable luxury.

More disturbing is the turn of the social tide. The salaryman is now a figure of fun, not a role model. The honour and glory of total devotion is seen as almost mindless mediocrity. He is a misfit. Perceptions have

been changing gradually over the past decade, but the salaryman superstar can be pronounced dead. If he were a warrior, he would have already committed seppuku.

There were early signs in the mid-1980s. In the satirical film, *Congratulatory Speech (Shukufu)*, Ryosuke Saitome is a living portrait of supreme dedication, but his unspectacular achievements are challenged when, one day, he is asked to give a speech at the wedding of the vice president's son - an honour far beyond the abilities he has haplessly cultivated. Day and night he

frets, trying to devise a clever speech that will please and not offend his superiors.

After much hard work and worry, Saitome comes across the perfect anecdote. But, just before he is scheduled to deliver his speech, his immediate boss tells precisely the same story he had so carefully prepared. The cruel turn of events leaves him crestfallen, humiliated and speechless.

"The Japanese have worked very hard throughout the postwar years, the economy has grown to a certain extent amid stable

prices and Japan is supposedly an affluent and comfortable place to live, but, for salarymen in their 30s and 40s, we cannot feel that affluence," says a report put together by bright young businessmen belonging to the Keizai Doyukai (the Association of Executives) who call themselves the Group 94 after the year in which they felt compelled to convene.

The Group 94 is designing a new model of salaryman, a professional in his field who invests in his own personal improvement, spends time with his family and friends, goes fishing at weekends and voluntarily works for the good of the community.

This advice was taken by Kunitake Fujita, who left IBM Japan, where he had worked loyally for 28 years, to train the disabled: "I believe my work at IBM contributed to social good but only in an indirect way. Here, I feel every day that I am contributing to society and that gives me a purpose in life."

But the transition is taking a toll. The National Police Agency has identified men between the ages of 40 and 50 as the group recording by far the largest increase in suicide since 1990.

Some cases are the traditional taking of responsibility for large errors, but many others are the result of a personal crisis - a Tokyo hospital reports that more than 70 per cent of men in their 40s and 50s seeking treatment for depression express the desire to commit suicide.

Companies must take blame. An endless series of scandals has undermined their prestige and that of their workers. From Sumitomo Corporation to Daiwa Bank and Nomura Securities, fine reputations stretching back into the last century have been sullied in the 1990s. These same companies are cutting staff and transferring mainstream workers to less prestigious, more obscure subsidiaries. Only 38 per cent of Japanese companies survived this year by the Nikkeiren, the Federation of Employers' Associations, believed that the system of lifetime employment should be retained.

"Our generation was taught that if they tried hard enough, if they worked hard enough, they would be rewarded," says Toru Inoue, 45, who works for a US company after having left two Japanese employers. But, Inoue insists, many people found that there weren't enough rewards to go around, and that even if they reaped rewards, personal satisfaction was not guaranteed.

Sixty per cent of families own their own home and virtually all have a television or two, but Akio Morita, the Sony founder, has conceded that the country's employees have been overworked and underpaid.

Perceptions are still influenced by the wild years of the late 1980s, the "bubble era", when rising asset prices made millionaires of those who dealt in equities and property. The speculator had become the star and the salaryman was a schmuck.

They were collecting Post-Impressionists and he was still taking the train to work. Surging land prices meant that getting out of the *danchi*, the ugly tenement tower blocks in the suburbs, became increasingly difficult. Multi-generational home loans were created to stretch the ever-longer repayment period.

For a growing number of workers in their 40s and 50s, there is no longer the promise of an easier life to compensate for the hardships endured in youth. Business leaders, management consultants and academics are telling the salaryman to be self-reliant and to pursue his own goals rather than those of the company. A couple of years ago the government formally suggested that Japan become a "lifestyle superpower". It was not the way he was brought up.

"There are many people among the baby-boomers who are highly motivated and extremely hard-working. But there are also many people who leave the company because they feel they don't fit in," says Yoshinori Takada, manager of the planning and administration department in the plant engineering division at Mitsui Engineering and Shipbuilding.

"The salaryman's job is a carefree one, yes it is. He may have a hangover, or still be half asleep, but all he has to do is punch in the time card and everything will be ok." Crazy Cats, The Don't Song

But where do you go at 46, after 24 dutiful years at Yamahachi or Kawasaki? Do you start a company? How do you win the respect that was promised and denied?

Television comedians, the great social arbiters in Japan, make clear that you are a huffoon, lacking in social skills and comfortable only in the company of your desk. Even *pochinko*, the addictive pinball game of the masses, has turned trendy and away from the salaryman.

The new-fangled Maruhan Pachinko Tower offers Prada purses and Christian Dior body-toning cream as prizes for the punters, and makes clear in its advertising that young players are unlikely

to find themselves stuck beside a boring bloke in a blue suit.

Even at home, the salaryman is increasingly uncomfortable. Teenage daughters, fashionably obsessive about cleanliness and physical attractiveness, refuse to walk side-by-side with them for fear of being seen by friends. In the office, young women workers, manicured and conditioned, scowl at the dandruff flakes, the paunch, the clothes and the bad breath.

He is targeted in embarrassing train advertisements encouraging him to buy a wig and mouth wash, and to treat malodorous socks with a new antiseptic formula.

The problem is more than a mid-life crisis for the average urban male. The country's self-image was built around two streams of modern employee: the ruthlessly efficient factory worker and the white-collar professional. The word salaryman, *salaryman* in Japanese, surfaced in the Taisho period (1912-1926) to distinguish this emerging, administrative class, easy to idealise because of the more civilised, thoroughly modern work environment.

The perceived need was for enthusiastic but not necessarily individualistic employees able to pursue the national goal of rapid economic growth. But having reached Number Two, and realised that, soon enough, China will push it back to Number Three, Japan no longer has economic development as its sole reason for being. The historic mission of this century is over. The national faith has fragmented into new sects and superstitions, among which was Aum Shinrikyo, the cult responsible for the subway gas poisoning of two years ago.

The Salaryman Movement has always been short on spirituality. The corporate lapel badge was proof of devotion, and the afterwork alcohol was the almost daily blessing of the lifestyle.

Now, personal development is the approved goal. There are signs that the blue suit is gradually being swapped for shades of green and brown, the hair is seeing more shampoo, the ties are louder and the holidays are a few days longer.

Having died his corporate death after a century of toil, evidence is accumulating that Japan's salaryman is getting a life.

The honour and glory of total devotion is now seen as almost mindless mediocrity

BREITLING
1884



CROSSWIND

AVAILABLE FROM SELECTED JEWELLERS THROUGHOUT GREAT BRITAIN AND IRELAND
FOR YOUR NEAREST STOCKIST TELEPHONE 0171 637 5167

INSTRUMENTS FOR PROFESSIONALS

This week's contents and columnists

Arts	VII, VIII	Lunch with the FT	III
Arts Guide	XXI	Perspectives	II-IV
Books	V, VI	Property	XII-XV
Bridge Chess Crossword	II	Joe Rogaly	II
Education	XX	Science	II
Fashion	XI	Small Businesses	II
Food & Drink	XX	Sport	IX
Gardening	XIII	Travel	XVI-XVIII
How To Spend It	X	Weekend Investor	XXII, XXIII



Joe Rogaly
Pure and good tales
'We cynics must resist the temptation to pelt it with rotten tomatoes'
Page III

True Fiction
James Morgan
'Opera-goers emerged with jumbo packs of Black Shag tobacco, perfume...'
Page XXIV

PERSPECTIVES

The Nature of Things Headed this way from a galaxy near you

Astronomers are baffled by the source of gamma rays bursting in space. Clive Cookson reports

For 25 years, scientists have been mystified by bursts of radiation at astonishingly high energy levels, which occasionally bombard the earth from space. Proposed explanations for these "gamma-ray bursts" range from cataclysmic events in distant galaxies, such as collisions between neutron stars, to bizarre ideas about exhausts from alien warp-drive engines.

Although observations this spring have taken astronomers some way towards identifying the source of the bursts, including an important breakthrough this week, the mystery is not yet solved.

US spy satellites first detected intense flashes of gamma rays (radiation at the high-energy end of the electromagnetic spectrum beyond X-rays) in the late 1960s. The Pentagon's scientists soon laid to rest early suspicions that the bursts were signs of secret weapons tests, because no man-made process could produce so much energy. But their observations were not declassified until 1973.

Since then, astronomers

have observed the bursts through an increasingly sophisticated series of satellites - fortunately for us, the earth's atmosphere absorbs gamma rays and prevents them doing any damage to life or property here.

Bursts occur at an average frequency of about one a day but there is nothing regular or predictable about them. Their duration varies from a few milliseconds to many minutes, and they come randomly from all directions in space.

The greatest uncertainty is how far away they come from. Most astronomers used to believe that the bursts originated within our own Milky Way galaxy, probably from neutron stars. These ultra-compact bodies result from the gravitational collapse of old stars; they are only about 10km across, with a density of 100bn tonnes per cubic metre.

Many different processes involving neutron stars were proposed, including starquakes, nuclear explosions, magnetic flares and impacts by comets and other bodies.

But observations from the US Compton Gamma Ray Observatory, launched in 1991, appear to rule out

sources within our own galaxy. It is a conclusion based on the distribution of the bursts, which is a perfect sphere. There is no bias towards the centre of the Milky Way.

That leaves two possibilities. Either the Milky Way is surrounded at a distance of more than 100,000 light years by a spherical halo of neutron stars (travelling at such high speeds that they have escaped the galaxy's gravitational pull). Or the gamma-ray bursts are coming from other galaxies billions of light years away.

The latter idea has more supporters, even though it involves the release of mind-boggling amounts of energy. Joshua Bloom, a gamma-ray investigator at Cambridge University's Institute of

Astronomy, says that if the bursts are occurring in distant parts of the universe, "then they are the most energetic phenomena known to humanity, releasing as much energy in a few seconds as the sun does in 10bn years".

His colleague Martin Rees, the Astronomer Royal, has developed a model of a relativistic fireball, which could release enough energy following a collision between neutron stars.

A "binary neutron star" would offer the most likely circumstances for such a collision. This would involve a pair of neutron stars, revolving around one another and growing gradually closer over hundreds of millions of years, until they suddenly crashed together.

The collision would create a black hole, converting about 10 per cent of the stars' matter into energy within a fraction of a second. Debris from the explosion, travelling at nearly the

speed of light, would then hit the surrounding interstellar gas and release an intense burst of gamma rays.

The main problem for astronomers trying to pinpoint the source of the bursts has been the difficulty in focusing gamma rays. But an Italian-Dutch satellite called BeppoSAX, launched last year, carries equipment to locate them more accurately.

On February 28 this year, BeppoSAX enabled astronomers for the first time to correlate a gamma-ray burst with a fading source of visible light - presumably the afterglow of the original explosion - which was then seen for nearly a month by several ground-based telescopes and the Hubble Space Telescope.

Unfortunately, the observations were not clear enough to establish the distance or type of object responsible. And there were

conflicting claims about whether the light source was moving across the sky - implying that it was within the Milky Way - or stationary, which would place it in a distant galaxy.

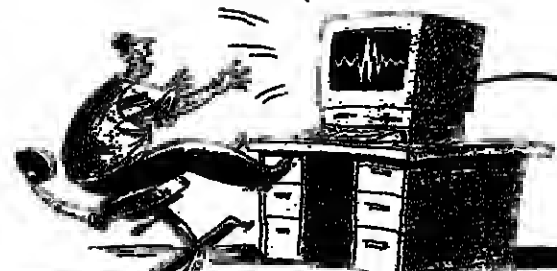
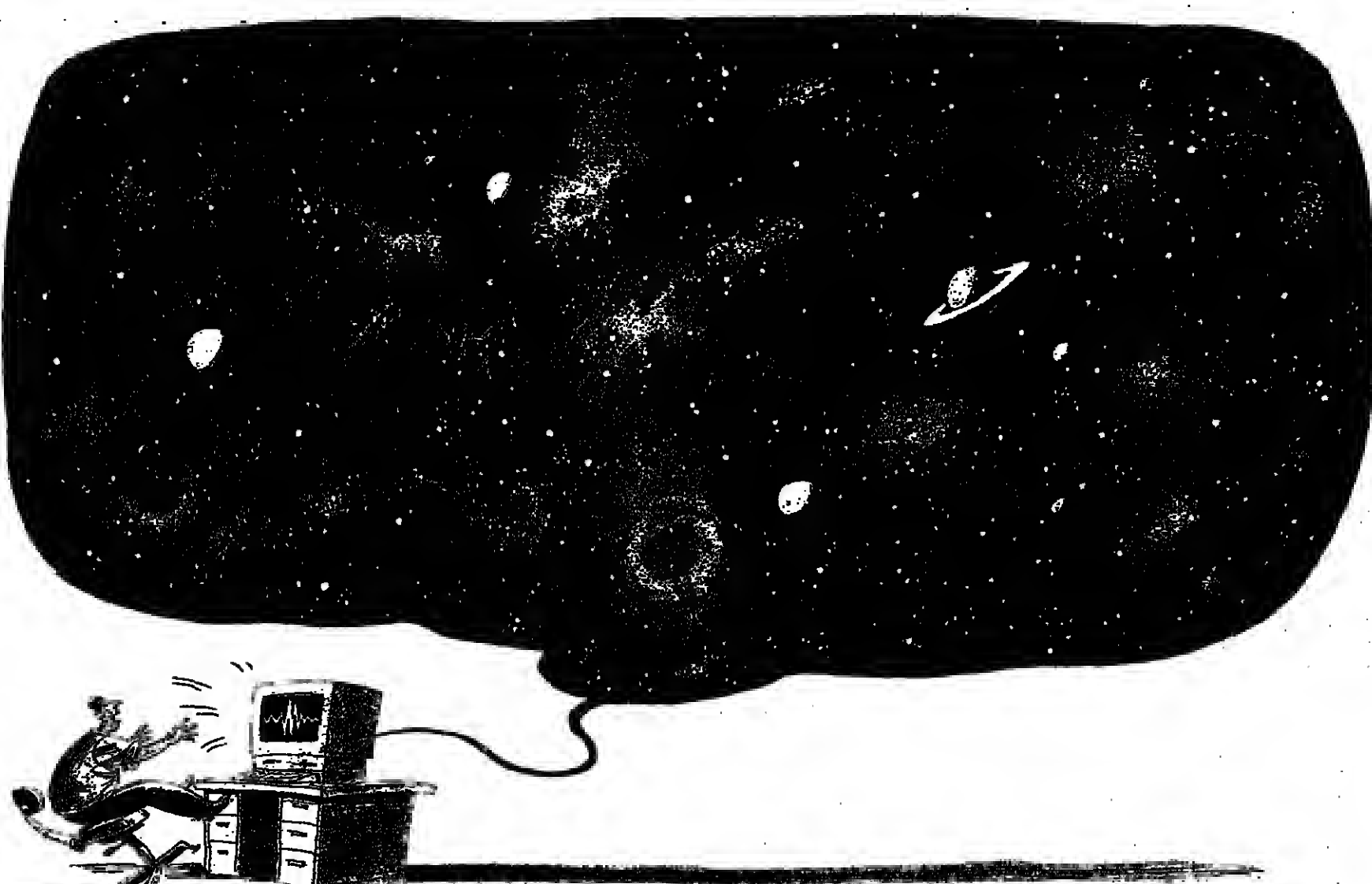
This week, however, the Internet has been buzzing with reports of a second gamma-ray burst with a brighter afterglow. The most exciting thing, Rees says, is that the light was bright enough for the 10-metre Keck telescope in Hawaii to estimate the distance - several billion light years - by analysing its colour spectrum.

If the Keck finding is confirmed, it will clinch the argument in favour of cataclysmic events in distant galaxies. Observations of future bursts identified by Beppo-

SAX will then enable astronomers to analyse the radiation in more detail and assess what is now clearly the leading theory: colliding neutron stars.

The universe contains millions of galaxies, and the theory suggests that a collision between neutron stars is likely to occur in a typical galaxy such as the Milky Way about once every million years.

Let us hope that one does not happen near our solar system, because the resulting gamma rays would, at the very least, be a serious disruption for human civilisation, knocking out communications and electronic equipment. If it were very close, it would expose all life on earth to dangerous levels of radiation.

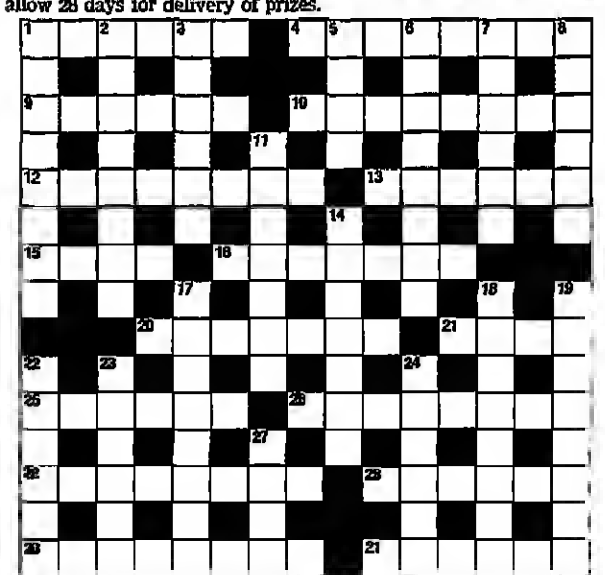


Ingram Finn

CROSSWORD

No. 9377 Set by DINMUTZ

A prize of a classic Pelikan fountain pen for the first correct solution opened and four runner-up prizes of Pelikan M200 fountain pens. Solutions by Wednesday May 28, marked Crossword 9377 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 8HL. Solution on Saturday May 31. Please allow 28 days for delivery of prizes.



Name: _____ Address: _____

- | | |
|--|---|
| <p>ACROSS</p> <p>1 Henry approaching lines I would cross (6)</p> <p>4 Abandon record - defective, we hear? (6)</p> <p>9 Tailor in a mess in market (6)</p> <p>10 Catastrophe, a concomitant of Kipling's triumph? (8)</p> <p>12 Chair not recommended for the elderly (8)</p> <p>13 Secluded spot in a long bay (6)</p> <p>15 Firm call for silence in club (6)</p> <p>16 Tern inside distance (7)</p> <p>20 Beer cask in the front part means a lot (7)</p> <p>21 The game's up! (4)</p> <p>25 Old large stove in Dutch house (6)</p> <p>26 Resort said to become less cloudy (8)</p> <p>28 Worth a few smackers? (8)</p> <p>29 Poisons beef in tins (6)</p> <p>30 Going over South American country, make notes (8)</p> <p>31 Austrian composer seen latterly in Norwegian port (8)</p> | <p>DOWN</p> <p>1 Book difficult to promote (8)</p> <p>2 Flourish with cereal grain on plate (8)</p> <p>3 Camping design? (6)</p> <p>5 I twice get the bird (4)</p> <p>6 Plant secure after tea (8)</p> <p>7 Father of gold-headed thunder-god (6)</p> <p>8 Opening of Maurice Ravel's arrangement is a wondrous thing (6)</p> <p>11 Disconcert a soldier visiting gallery (7)</p> <p>14 Cheap restaurant in America dishes out any beer (7)</p> <p>17 Old neat pot for clover (8)</p> <p>18 Fashion right now in Sussex resort (8)</p> <p>19 Suspect behaviour of boy on leaving (6-2)</p> <p>22 To progress, do research in libraries (4-2)</p> <p>23 Heavy rope was her undoing (8)</p> <p>24 Wild region to pass over (6)</p> <p>27 Design of tailless aircraft (4)</p> |
|--|---|

Solution 9378

ACROSS: 1 HORNET, 4 DARING, 9 ROUGH, 10 ACTUAL, 12 DOG, 13 CHAIR, 15 BAY, 16 FIRM, 18 TERN, 20 BEER, 21 GAME, 25 STOVE, 26 CLOUD, 28 SMACK, 29 POISON, 30 SOUTH, 31 AUSTRIAN.

Solution 9365

DOWN: 1 BOOK, 2 FLOUR, 3 CAMP, 5 BIRD, 6 PLANT, 7 FATHER, 8 RAVEL, 11 DISCON, 14 CHEAP, 17 POT, 18 FASH, 19 SUSPECT, 22 TO PRO, 23 ROPE, 24 WILD, 27 DESIGN.

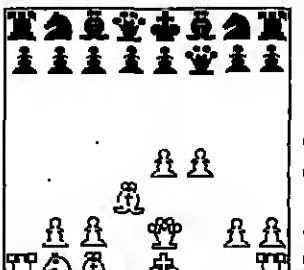
WINNERS 9365: Mrs Elise Nelson, Dumfries; Mrs M. Donald, Bracon, Perth; D.A.C.T. Hancock, Combe Florey, Devon; S.D. Hurd, Ulverston, Cumbria; R.D. Sutherland, Sidmouth, Devon

CHESS

Garry Kasparov, world champion since 1985 and highest ranked player of all time, has won many prizes in his career, yet it seems likely that his most quoted game and result in years to come will be the disaster he suffered in New York against the IBM super-computer Deep Blue.

Deep Blue won the series 3½-2½, Kasparov's first ever match defeat; and it crushed him in the final game after one hour's play and 19 moves. The immediate cause was a transposition of moves, playing Black's eighth as his seventh, but the match had already gone wrong. After winning game one, Kasparov resigned game two in a drawn position; Deep Blue escaped defeat in game five by an amazing defensive resource.

By now Kasparov was not only depressed and exhausted but paranoid; and after he lost he hinted that IBM's programmers had found ways to adjust their machine during play. The truth was that Deep Blue's program had been remarkably improved since the 1996 match which it lost 2-4; while Kasparov, who is used to psyching opponents and pre-analysing hundreds of their games, lost control.



The puzzle is to reconstruct the game which reached this position after Black's ninth move. Black's 17 queen is the key, and there is some surprising play in the gamelet.

Solution back page

Leonard Barden

BRIDGE

Good players always endeavour to involve their partners in high level decisions, which is why full disclosure is as vital when contemplating a sacrifice as it is on the delicate road to a slam.

N
 ♠ J 8
 ♥ K Q J 9 7 4
 ♦ A 10 8 5 4
 ♣ -

E
 ♠ A K Q 10 7 5
 ♥ 6 2
 ♦ J 9
 ♣ K 4 3

S
 ♠ 8 2
 ♥ A 10 5 3
 ♦ K Q 2
 ♣ 9 6 5 2

Playing in a match with only simple systems permitted, both Norths made simple overcalls of 2H after West's 1S opening. East bid 2S, South 3H, and West 3S. At this point the auctions diverged, only slightly, but very significantly.

At the first table, North merely bid 4H and, when

Minding Your Own Business The doctors' physicians Grania Langdon-Down on one remedy to surgery expansion

Doctors have every reason for feeling under the weather when they decide to expand their surgeries. How would anyone feel when faced with business plans, surveys, estate agents, valuers, assessors, planners, architects, finance companies, lawyers and the health authority?

Unable to heal themselves, the physicians are in need of help. And that can be found in father and son, Stuart and Alan Gavurin.

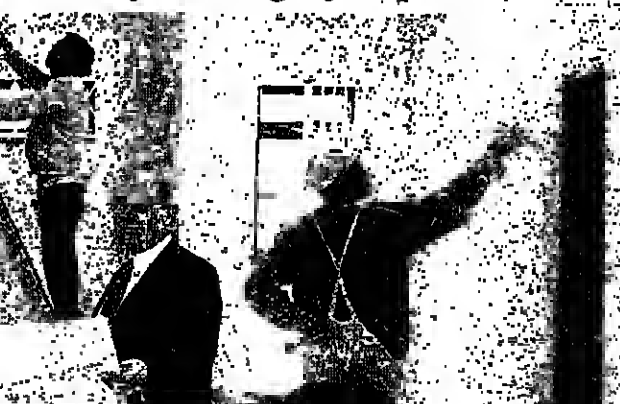
As a former director of a north London health authority between 1992 and 1995, Gavurin junior was responsible for commissioning new surgeries and developing other local health facilities. Used to seeing doctors sinking in a sea of paperwork and indecision, he believed he knew just the person to help them - his father, Stuart. If he could diagnose the doctors' problems early enough, then together they would be able to turn the remedies into a business opportunity.

Stuart Gavurin, 61, an accountant with 30 years of experience working with small businesses, was at the time specialising in overseeing development projects, from raising the finance to paying the bills.

It took Alan, 36, four years to convince himself that going into business with his father would work after assessing how their different expertise could fit together. Then Alan took the plunge in 1995 and left his well-paid job to set up a new partnership with his father.

"Looking at it from my side of the fence, I could see the government was putting money into developing primary care services. But most health service managers and doctors did not have much experience of the world of property developers. So there were funds for doctors but no one with the expertise to put the packages together," he said.

Stuart, on the other hand, had already moved into this area after the property market collapsed at the end of the 1980s. He had set up his own consultancy, SLG Business Consultants, in 1986 helping large commercial property developers raise



Alan and Stuart Gavurin - a cure for those property ills

capital for their projects.

"But by the end of the 1980s the weak companies had gone bust and the strong ones were saying, 'sorry, Stuart, but there's nothing for you'," he recalled.

He needed a new line of business and found it in 1991, when, coincidentally, he was asked by Lambeth, Southwark and Lewisham Health Authority to help some local doctors find and develop a new surgery.

"It was a difficult project involving the purchase of a pub and the development of flats above to make it viable, which only two of the eight partners wanted to be involved in. It took over a year to buy the property and 18 months to complete the work on it."

This led to more work for Stuart in the primary health care field and during the early 1990s, father and son developed the idea of acting as a conduit between health authorities, doctors and the array of professionals involved in building projects.

"I had believed I would work for health authorities for the duration because I never wanted to be in private business. But we had an idea for a service which would be of real benefit to the public sector," Alan said.

"I wanted it to be a new business, not me just joining Stuart's company. So in April 1995 we set up DSP, the Development Support Partnership, offering property, organisational and personal development services within the primary health care field."

About three-quarters of their work comes from

health authorities in London and south-east England. Some doctors employ them directly, as they can be reimbursed by health authorities for some of DSP's fees as project managers. Between them, they have worked on 40 such projects, half now completed. "We say to doctors, we will run the project for you, down to making sure the right amount of money is in your account at the right time to pay the bills," Stuart said.

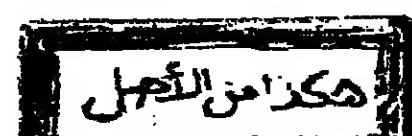
Alan added: "Doctors are very frightened of losing money to sharp operators in the property world so we have deliberately kept ourselves independent."

"We have had considerable offers from developers and others saying if you sign up with us we could do good business. But we want to be able to offer doctors the best possible choice of professionals to work with without us having any vested interest in their choice."

Leaving his well-paid job was a nervous time for Alan, who has two daughters aged four and one. "We took a conscious decision to keep all our costs and commitments as low as possible."

"Our office is based at Stuart's house in Wembley Park, Middlesex, spending about £3,000 on computers. We don't employ any staff and buy in any expertise or secretarial work we need. Meetings are generally held at the clients' offices but otherwise we will meet somewhere mutually convenient, like the National Theatre on the South Bank."

DSP in its first year



PERSPECTIVES



Joe Rogaly

Three tales of purity, honesty and goodness

Britain, Shell and News International all have something in common – benevolent intentions. So they say...

Three major powers – Britain, Shell and News International – issued important foreign policy statements this week. We have placed them in ascending order of potential impact and descending order of moral aspiration. Fortunately for our sense of tidiness, the lists coincide.

It is neat, is it not? Of the three, the brand-new British government may have the least ability to influence everyday life in countries other than its own, and the starriest eyes. Royal Dutch/Shell's purview is beneficent or infamous, depending on what you believe. Either way, it asks us to take its declaration of care for the environment and human rights on trust. Rupert Murdoch's News International is an inter-galactic media force. We may wonder how it came to be

so but suspect that morality had nothing to do with it.

Zoom in on these icons. Britain's foreign secretary announced on Monday that ethics is to be a component of his department's decision-making. That startling innovation of Robin Cook's does mean something. The foreign office will seek an international ban on anti-personnel landmines. It will try not to license the sale of arms to any country that would use them for internal repression or external aggression. Even then Mr Cook will not rest. He will promote democracy, human rights and good environmental practice.

The new Labour government's stance is admirable. We cynics must resist the temptation to pelt it with rotten tomatoes. We may, however, mntter that the

foreign secretary's ability to carry out his self-proclaimed new mission will depend in large part on other governments. They must be persuaded to co-operate, to join the club of benevolent intentions. Here's hoping.

Shell's problem is different. It needs to make itself credible. A year or so ago I dined alongside a manager who might have known about the company's record in Nigeria. It is with some discomfort that I recall what he said about its effect on both human rights and the environment. No good would be done by repeating it. Perhaps he was making his anecdotes up, chatting aimlessly, inventing conversation. It is hard to know what to think. On Wednesday the largest oil company in the western world blocked an attempt by some of its shareholders to set

up an independent ethical audit of its present practices.

One of Shell's bigwigs accepted that external verification of performance was in principle desirable. He should have adopted the shareholders' proposed mechanism, or a modified version of it. We who wonder about various allegations against Shell are clearly expected to ingest the company's denials, like it or not.

Maybe we should. The oil giant's statement of general business principles could have been drafted by Mr Cook himself. Read it and marvel. No corporation in the history of capitalism has been so pure in motivation, so unsullied in practice, so transparently honest and good. Call me cynical, but full disclosure, accompanied by a check conducted by a disinterested body, would tell us how many Mother

Theressas it takes to run one Anglo-Dutch mega-corporation.

In the case of News International we know the answer. One. This particular saint of journalism is now wrestling Mammon. He appears to be losing. It is a piquant tale. Mr Murdoch has often spoken about the ability of his principal product – information and entertainment – to break down dictatorships.

In 1988 he intimated that eastern Europe would be opened up by TV. He was right. In 1993 he said that advances in communications technology had proved an unambiguous threat to totalitarian regimes everywhere. He was wrong. His Star TV company, based in Hong Kong, claimed that 22m Chinese households were looking in. Soon afterwards the Beijing government restricted the ownership of

satellite dishes. Cable was a closed door to outsiders.

Since then many propositions, flowers and chocolates every one, have been made by Mr Murdoch, wooing the Chinese with all his might. On Thursday of this week he sounded as if he now realises that, at the least, you have to be subtle to be allowed in to the Chinese market. "Western companies like News Corporation," he said in a speech delivered in Tokyo, "have much to learn about doing business there and need pay special attention to China's unique cultural heritage."

What came next amounts to a recantation of his earlier sentiments. "The Chinese leadership has proved the sceptics, including myself, wrong by not shunning the new information technologies but actively

encouraging their use. China has in fact embraced the internet... as a means of strengthening its own culture..."

The cake of soft soap was infinite. News Corporation would like to work alongside the Chinese in developing digital direct broadcast satellite services, enabling them "to deliver not just multi-channel television programming but government information..."

You could say that this media baron, this sutor outside the gates of the largest future market on the planet, has divested himself of shame. China, he crooned, is "a distinctive market with distinctive social and moral values that western companies like News Corporation must learn to abide by". As a statement of foreign policy it must be filed under R for realpolitik.

Lunch with the FT

A fossil-hunter and his feelings for Lucy

The talk turned to chimps' teeth, gorillas' penises and brain sizes when Christian Tyler met Donald Johanson

When a man has been stumbling through the Eritrean desert for six weeks, he must feel in need of a decent meal. But what would a windswept, sand-blasted, hunter of human fossils most like to eat?

The question nagged because Donald Johanson, the dust hardly shaken from his boots, had left it to his interviewer to choose the restaurant.

Johanson is an American paleoanthropologist. His main claim to fame is his discovery, at Hadar in Ethiopia, of "Lucy", the partial skeleton of an early hominid, *Australopithecus afarensis*. Found in 1974, Lucy has been waiting a long time to be recognised – 3.2m years, more or less. Having made it to the top despite her faded looks, Lucy is still counted a celebrity even by Johanson's rivals in a notoriously jealous profession.

None of this helped settle the menu question. So I chose Monkeys, a smart and charming restaurant off the King's Road in Chelsea. This was a taxonomic error, of course, since everybody knows that humans are cousins of the apes, not the monkeys. (The proprietor clearly didn't because his walls were decorated with pictures of chimpanzees).

Although accustomed to living on a daily diet of tinned tuna and goat – stewed goat, roasted goat, boiled or barbecued goat – Johanson proved to be a man of sophisticated tastes. We started with hot foie gras salad and a glass of Santernes, which is apparently the thing to drink with it. For the main course he chose scallops, plucked from the bed of the North Sea (so we were told) by oil-rig divers on their days off. I settled for the humble, undervalued cod. ("A much-maligned animal," agreed the owner, a little too readily I thought.)

It was during the ritual of selecting the wine that I learned the remarkable story of how Donald Johanson got into his trade. First he rejected the Sancerre as "too austere" and the Chardonnay as "too buttery". As he lifted the Pouilly Blanc Fumé to his nose, however, he muttered: "You'll like this. It's very grassy."

I asked him where he had learned such language. The answer was from his boyhood mentor, Paul Leakey, a "quintessential German scholar" who had grown up in a castle on the Rhine and who knew Latin, Greek, French, English and Swedish. Swedish was the link, for it was the native language of Johanson's parents who had emigrated to the US in the 1920s. The boy's father died of an embolism after an accident when the child was just two. His mother was befriended by the scholarly German who lived on the same block.

Leakey introduced young Donald to hooks, Africa, anthropology, and – because he himself had no sense of taste – to the pleasures of wine. "When he was away, he let me look after his fleet

and his dog. I had the run of the library. And I became imprinted like Konrad Lorenz's geese," Johanson said.

Like so many biological scientists, he had chased after butterflies and rabbits as a boy. In spite of Leakey's warning that the famous Leakey family of paleoanthropologists "had the Rift Valley sewn up", he was determined to get into the same game.

So he set about studying chimps' teeth. His PhD thesis at the University of Chicago, the city of his birth, was called "An Odontological Study of the Chimpanzee with Some Implications for Hominoid Evolution." For the successful hunter of human fossils is a sort of outdoor dentist. He does not dig, but picks over the ground looking especially for teeth from which he can read volumes about the life of their owner.

"What would be the really big prize to find in the dirt of Eritrea?" I asked.

"Lucy is hipedel, but small-brained. She had a brain a quarter the size of the average brain in this restaurant." (Did he mean that her brain was particularly small? "There were no stone tools. So what comes next? The big brain, or the tools? We don't know. What we want to find is stone tools, about 2.8m years old, with skulls. Will those skulls be big brained or not?"

"My prediction is that our ancestors began making and using implements long before the brain expanded. So why did it expand?"

"I think not so much because of tools but the social milieu in which they lived. Then, as today, there was deception, intrigue, a need for politics."

Some psychologists say the big brain was better for mating; that brain work was invented to impress women. I said.

Johanson's reply boomed across the restaurant: "So why do humans have bigger penises than any other primate?"

I look nervously round, but the other diners continued to gaze contentedly.

"This is an interesting question," continued Johanson, warming to his theme. "A 400lb gorilla has a penis that size." He held up the top of his little finger. "We don't need what we have, but it is a sexual attracting device. We have to remember that for most of the millions of years that hominids have been around, they have been naked."

Here was a chance to present a hypothesis of my own: that the persistence of rumours about the Yeti, Sasquatch, Bigfoot – call him what you like – could be explained by Neanderthals mating with our own kind. Some of their offspring had to head for the hills. Others might even today be hiding out in our cities.

Johanson looked at me pityingly. "There is no Yeti. There is no Sasquatch. You probably – I assume – have never attempted to mate with an animal outside of your species?"

No, I confessed, I haven't.

It is part of the definition of species that they do not mate across the boundary. But Johanson said one of his colleagues had a theory as to how Neanderthal Man died out. The hairy brute never stood a chance once Neanderthal Woman had seen *homo sapiens*. Seduced by the rival's babyish looks, she mated with him and produced infertile offspring. So, end of line.

I asked him about scientific competition. Johanson said he had had "a terrible falling out" with Richard Leakey when the two were young Turks in the 1970s. Leakey, he said, had inherited the idea that there were two parallel lines of evolution; but Johanson's Lucy had drawn the lines together.

He agreed that progress had been retarded by an over-competitive spirit. For example, Tim White of the University of California, a former collaborator of his, was keeping his site under lock and key and had sworn his team to secrecy. "I think he believes he's found the missing link – half human, half ape. The common ancestor!" Johanson added that White might well be on to something. "If so, it leaves Lucy in the

dust. But it does mean Lucy has ancestors."

We discussed nature and culture. Johanson said we humans tend to forget our roots. "We still harbour Stone Age minds: that's evident when you try to ride the Northern Line. Much of our behaviour is from back on the plains of Africa."

Has human evolution stopped?

"Yup. I think biologically it has essentially come to a stop. The conditions necessary for speciation or major change are over. We can interbreed with anybody in the world."

We had grazed our way to the dessert course.

"How's the hot treacle tart?" Johanson asked when the waiter arrived. "This is more difficult than the main course. What's in your fresh fruit salad? Uh, huh. So really I should have an ice-cream and hot chocolate sauce."

In that case, I said, I shall have chocolate mousse. Would you like a glass of port?

"No, I don't think so."

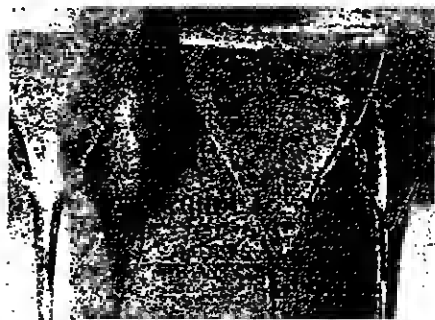
"I'll have a glass of red. What about you?"

"Did I say No?"

Donald Johanson is co-author of *From Lucy To Language*, an illustrated history published by Weidenfeld & Nicolson, £25.



SCURM DOWN

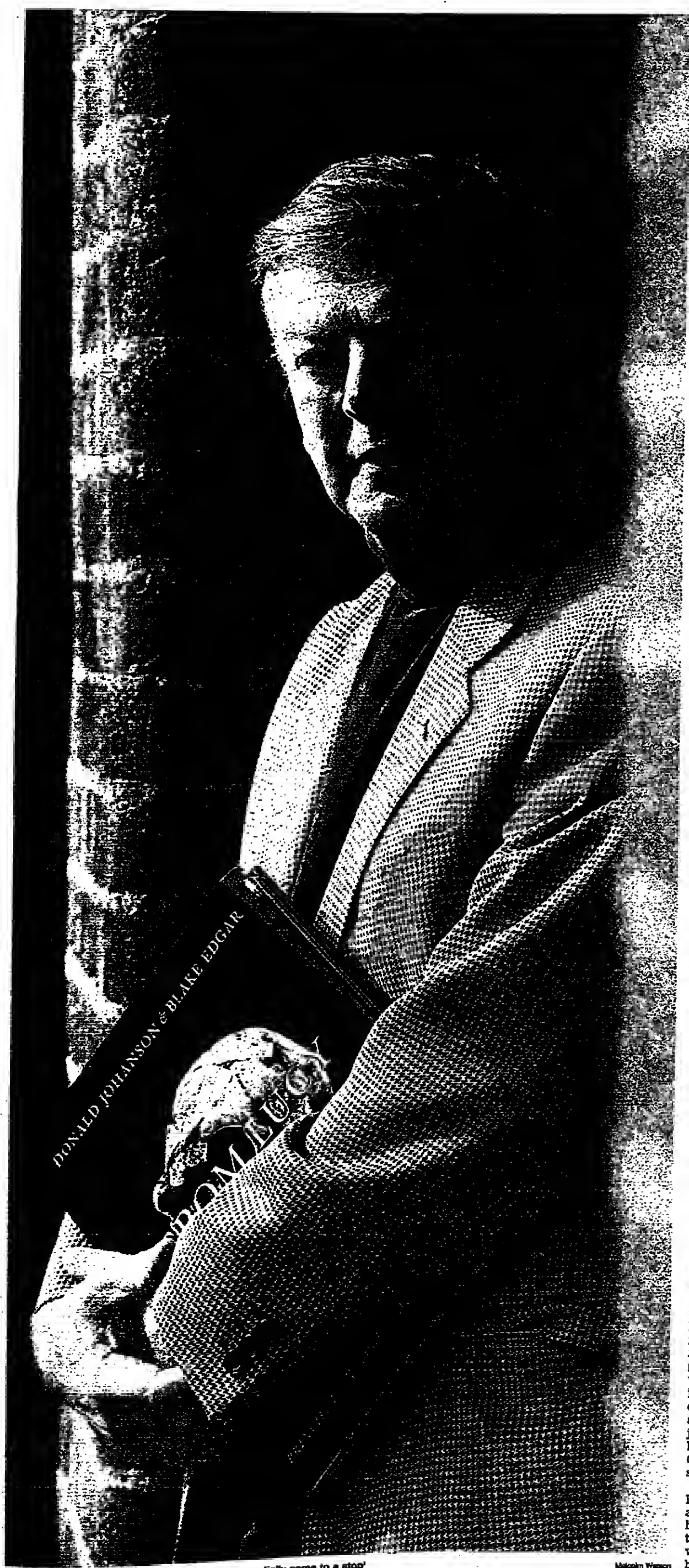


BOTTOMS UP

NUDEMAN'S RUMORS: SEVEN, TWO AND TEN	17 May
GLYNIS AND FLORENCE: OPRAH	18 May-24 August
CHILLER'S FLOWER SHOW	20-25 May
ROYAL ALBERT: SWISS EXHIBITION	1 June-10 August
1ST GOWRIE: THE MATHS & ALGEBRA EXHIBITION	2-9 June
THE DEBUT: ENOCH	2 June
ROYAL ANTHEM	17-20 June
WINDMILL: TITANIC CELEBRATION	23 June-5 July
PINK: THE LITTLE WHITE HOUSE, CLOTHES, PINK	29 June-30 July
HEAVEN: ROYAL RESERVE	2-9 July

■ Veuve Clicquot ■

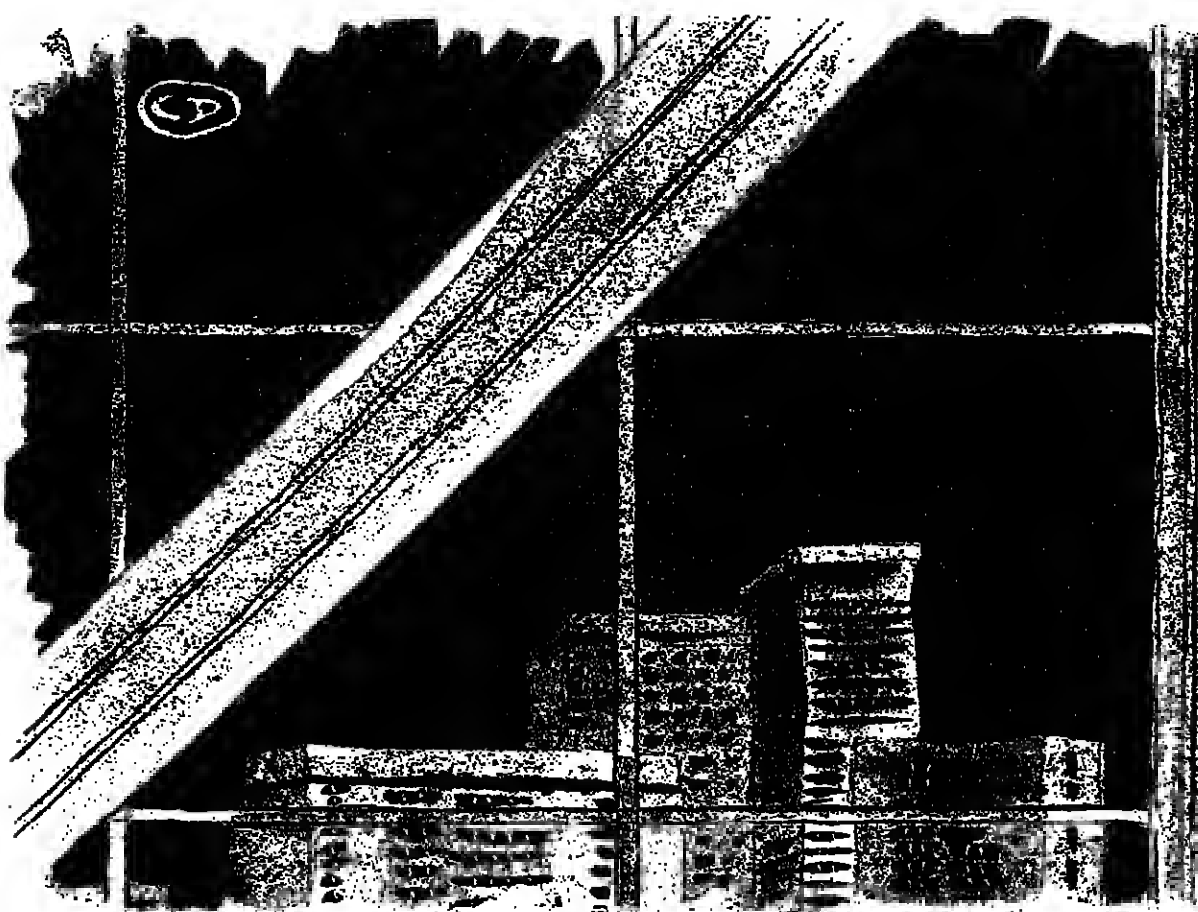
CHAMPAGNE OF THE SEASON



Donald Johanson: "I think human evolution has essentially come to a stop"

Malcolm Wilson

PERSPECTIVES



UNHAPPY VALLEY

The Hong Kong handover is inspiring a new genre of thriller – John Ridding, our man, has contributed to the growing body of work

Being small had its benefits, thought Tony Chan, as he squeezed behind the emergency door. In the distance, the advancing figures had looked menacing, possibly triads. But as they approached, Hong Kong's champion jockey noticed the green-tinted glasses and ankle-length suits worn by the mainland Chinese delegation.

The delegation had been around the Happy Valley course a lot lately, living it up in the stewards box, courtesy of Winston Wong, aka the King of Kowloon. "Organising celebrations for the glorious return of Hong Kong to the warm embrace of the Motherland," was the official explanation for this small expedition. "We shall use the stadium for a spectacle by the People's Patriotic Acrobatic Troupe."

Unless these celebrations were taking place down here in the basement tack rooms, thought Tony, then something was amiss. And through the waft of Red Pagoda Mountain cigarette smoke, he heard snatches of what that might be. "It must be started here. So nothing can be restored," said the permed head. "Like in 1918,"

replied the shiny suit.

They were not talking about peace in Europe. In February 1918, the grandstand at the race track collapsed in flames. Tony had seen the pictures in the Jockey Club museum. And now, as he slipped from his hiding place, his nerves were on edge, as taut as the moments before the starting gate opens. ★ ★ ★

Winston Wong sat with his feet propped against the window, pointing towards the harbour and the endless Chinese hinterland. Around him was a small gallery of photographs – his wife Gloria, in a silk cheong-sam, his six daughters, one son, and a cast of celebrities. There was Winston with Li Ding, the surly party chief for Hong Kong, Winston on the Great Wall with the Chinese communications minister and, in a desk drawer, Winston with the territory's last British governor.

Above them all loomed his father – T.T. – a shipping tycoon who lost a fortune to the Communists in Shanghai in 1949 and trebled it after moving south. "You must have the cunning of a fox to play with the Cantonese," he once told Winston. Wong

junior had cunning in spades. And he was preparing to play a trump.

"Kitty, bring me the model, and show in Mr Liu when he arrives," barked Winston. A few moments later a slender figure in thigh-length boots slipped in, placing a miniature cluster of tower blocks on the lacquer table and a box of cigars beside the ornamental tiger, a yellow jade beast which had been frozen in time, waiting to pounce.

Winston did not have long to wait. Kitty Miao soon ushered in Comrade Liu and his sidekick. Formalities were dispatched and understandings understood one last time. And then, with tumbler of Remy Martin, the trio clinked agreement on a deal that would make them all very rich. ★ ★ ★

The shock was every bit as strong as when, in his school days, Tony had unwittingly strayed near the Jardines gun as it fired its midday salvo. His Mandarin was rusty, and the voices were muffled by the leatherette padding on the door. But through the crack in the hinge he heard enough to piece together Winston's scheme.

Happy Valley race track was every developer's dream. Nine hectares of prime real estate in downtown Hong Kong, it was the territory's most valuable piece of land. To the frustration of Winston and rival tycoons, it was also the most untouchable. A green blot on the high-rise landscape, the Jockey Club had held a firm grip on the lush turf since the first horse crossed the line some 150 years ago. And as the shrine of Hong Kong's racing public, no amount of arm-twisting had shifted the odds in Winston's favour.

But what if the course was destroyed in a blaze amidst the symbolic ceremonies of the end of empire? With the incoming administration promising quick executive action to tackle the mounting housing crisis, it would be hard to resist Winston's ambitious residential scheme. Housing for the people, not for horses was the mantra he could put it. Indeed, would put it. Mr Lin's boss in the central committee had seen to that, much as he had arranged for the racecourse and its river of revenues to shift across the border to Shenzhen, where, by chance, Mr Liu was mayor.

As he slipped from his hid-

ing place, Tony didn't need reminding that time was short. Clocks counting down the minutes to the handover were everywhere, from Tiananmen Square to Kowloon Tong train station, and all had ticked below 2,000. He had to find help. And Tony knew where to look.

★★★

Cameron Menzies rose unsteadily from his chair, the spectacles which had dropped during his stesla now swinging against his stained school tie and bouncing off an ample paunch that

his few real friends had nicknamed "Victoria peak". It was a bloody nuisance when the amahs were away, flocking down to Central with their godawful cackle. It was particularly annoying that someone should ring the buzzer on a Sunday afternoon when Jenny, as ever, would be down at the golf club. He waddled towards the door ready to be irritable.

Just as Tony was about to turn back towards his Por-

sche, the door swung open. He hadn't seen Cameron for two years, not since he rode Sir Roses to victory in the Gold Cup – Menzies' biggest triumph. Time had not been kind. He looked red-faced and crumpled. Not the trim Tspan who strode around the stewards' box before hand debts and a few mistimed property projects cleaned out the stables.

But Menzies was still well-connected. And Tony knew he wouldn't take much convincing. "They're just itching to get their hands on this little honey pot," he would declare at each and every cocktail party. All change was bad, and all change was Chinese. His upper lip quivered when the cricket pitch outside the old Hong Kong Club was dug up. An arson plot at the Jockey Club would send Menzies spinning. After all, he had donated the inaugural cup.

As expected, Tony's news hit hard. "Where on earth did you hear that," blurted Menzies, spitting like a cobra. He paused for a while, running a freckled hand through his silvery hair. "I can deal with this Tony... leave this to me."

Mist seeped from the sky as Tony steered down from the Peak. It was hard to get out of second gear, with the tour buses and day-trippers clogging the road. And it wasn't until he reached the expatriate ghetto of mid-levels that he could put the Por-

sche through its paces and head for Wanchai and a much-needed drink.

He should have remembered that Suzy didn't work Sundays. He had been going there long enough, even if now it was just for drinks. But Melody was good company, and she seemed pleased for an excuse to leave the Taiwanese semiconductor salesmen, who were losing their inhibitions with each gulp of lager.

Tony let the tension pour into his glass of San Miguel. But Melody, who earned her keep as a drinking partner at the Flying Tiger, was summoned by the Madam. "We are so busy now," she explained, nodding towards a small group of travellers who had come to see Hong Kong "for the last time".

★★★

There was not much unusual about a black S series Mercedes hissing along the streets of Central. Nor one with mainland number plates. Taxi drivers had stuck Five Star Chinese flags on their dashboards. Tycoons had the plates.

What was odd was the way the Mercedes stuck to Tony's tail. Hard right down Pedder Street towards the harbour. Right again in front of the Mandarin. Just like the movies, thought Tony, as he pushed the Porsche hard, taking it above 120.

That was Tony's last thought before he spun out

of control, coming to rest beneath a string of lanterns and a giant celebratory dragon on the forecourt of the Bank of China tower. He ran through the cavernous marble reception, past the idle lifts and into the stairwell.

Tony climbed higher and higher. He was scared. He stopped for a moment, his panting almost in time with the approaching footsteps. He climbed to the 14th floor, tugging every door in search of an unlocked office. Panicking, he squeezed through a window and clung like a starfish to the bank's glassy facade. Fifteen feet to the left, a window cleaning cradle hung empty and inviting.

The footsteps inside grew louder and then faded. A mobile phone rang in the distance – an electronic rendition of the "Godfather Waltz". A muffled conversation, the sound of an elevator opening, and then footsteps ever closer. Two arms reached out. But not in help.

One pushed the tip of a burning cigarette into his hand. It was a Red Pagoda Mountain. The other, plumper arm clumsily clawed at his wrist, prying it away from the glazed surface. As he fell, Tony gazed towards the heavens, and glimpsed a powder blue safari suit. He couldn't place it. Then the muggy mornings of track work at Happy Valley came back to him. Sir Roses.

I stood on the Black Sea shore and gazed at the hills around Yalta. I tried to imagine how a seven-year old saw it. How different the city might have looked nearly a century ago. The directions I had were brief and vague: "You take the main road up from the sea and take a left. The neighbours were the Tsurkians."

My grandfather could not recall street names, or much else. It was Yalta before this century's wars and revolutions. I also carried my own mental image inspired by a photograph, faded blue and taken in 1909, that hung on a wall of our home in Warsaw. It is of a family outside a two-story villa, and the baby, his head full of blond hair, is my grandfather. It is his first birthday. An older man, full moustache and white button-down jacket common in the Russian Empire, sits in the middle. He is the family patriarch, Platon Poleski-Szczepilo, my grandfather's grandfather. It is his summer house, I was told, and I wanted to find it.

The Crimea, a peninsula that juts out into the Black Sea, has been home to many peoples and plays a central role in many national myths and family histories. Surrounded by green mountains and rich in cypress and pine trees and sub-tropical plant life, the setting was ideal for Russia's counts and magnates and Anton Chekhov and Pushkin. The empire's elites decamped for lazy summers, their houses guarded by sleeping stone lions.

Many of the manor homes

Filling a void high in Yalta's hills

Matthew Kaminski returns to the Crimea in search of the home and memories of his forefathers

are empty, closed or vandalised. Lenin's decision that the tolling masses would holiday in Yalta meant that many concrete hotels must be built. But Lenin is gone, and the Russians have moved on. The Crimea is now part of Ukraine, possibly not for perpetuity.

Growing up in Poland I heard little about the place. Any hint of the wrong class background, of summer houses and privilege and servants, was kept hidden in the People's Poland. Older generations passed away and took memories with them. This void bothered me.

After arriving as a correspondent in Ukraine in 1994, I became more interested. The photograph of the villa was the most compelling evidence. My mother remembers two crystal glasses. They were taken out, almost furtively, on special occasions, and had survived the flight from the Bolshevik Revolution in a great aunt's undergarments.

My grandfather returned

aged Russian woman hissed: "What do you need that house for anyway?" I reassured her that I had not come to take it back.

On the Yalta promenade, I picked up a book on the Crimea and the Romanovs published in 1994 and called on its editor, Oleg Grippa. I expected a historian. He was a businessman.

"All of Yalta was previously owned by private capital," he said. "Look, several generations have passed and no one remembers. You're actually the first one I've ever met who has come back."

He impatiently brushed my next question aside and began a sales pitch for a \$100 development of Yekaterinskaya Street, "the only street in Yalta that has been completely preserved intact from the last century". Grippa and his Chinese joint-venture partners want to build a modern resort.

The next day, I walked up a hill and found Livadia. Built in 1911 for the Romanovs, the Renaissance-style palace was a farm worker's pension in the 1920s. It became famous as the setting for the 1945 Yalta Conference. An exhibition chronicled the royal family's six summers at Livadia, and some of the Tsar's books were back in the library. In the conference room, preserved as it was in February 1945, there was a photo of



A faded past: the Yalta house of Platon Poleski-Szczepilo before their flight from the Bolsheviks

the famous three: Stalin smoking, Roosevelt smiling, and Churchill looking forlorn.

The Romanov's downfall forced my family's exile from the Crimea. And the Yalta meeting made final Poland's withdrawal from

the east by moving the borders a couple of hundred kilometres west – indirectly, it led to my own departure from Poland in 1980, when I was turning nine.

Outside Livadia I met an enterprising retired tank driver named Fyodor, who

sold me a tourist brochure for 2 hryvnia, nearly seven times the going price. I was not surprised when he claimed he knew the old house. I thought he wanted more money, but he just talked. He said hateful things yet he was remark-

ably cheerful and good natured about it.

"You'll be sorry Poland has gone west and separated from Russia," he said. He knew who was to blame: Zionists. "Yes, the more Slavs quarrel and die, the better for them. The Jews want to bring us down, understand?" I did not draw him further.

Last year, I heard that Platon Poleski-Szczepilo was a high-ranking Tsarist official, a general prosecutor who had an estate near Zaporozhye. My grandfather claims he was a Russophile who supported the Tsars. He disagreed with my grandfather's father. It was a time when many Poles were killed fighting to reclaim independence.

After four days at the Hotel Krim, my enthusiasm started to wear down. The room smelled as if it was repainted daily. I was also no closer to finding the house. I had briefly thought it might have been torn down. But the Soviets usually let things just rot.

Most Russians, who now complain about life under Ukrainian rule, arrived in Crimea after the second world war as colonisers. They had come to replace the Crimean Tatars, an entire nation which Stalin one day in 1944 packed in freight cars and sent to central Asia. An ethnic cleansing justified by allegations of

collaboration with the Nazis. As a Georgian, Stalin knew well that cultures rich in history and firm in identity would always pose a problem for a totalitarian regime aiming to re-engineer the human soul. The Crimean Tatars – a mix of Greek, Italian, Mongol and any other blood that passed through the peninsula – were too sturdy for re-engineering.

The Crimean Tatars know who they are. And that is why, in the last six years, they have come back in their hundreds of thousands, abandoning lives in Uzbekistan or Kazakhstan and starting again. Nuri Shafkiev's family lived in Crimea long before any of his Slavic neighbours. The Russians took his house, and yet he only feels sorry for them: "Why does no one among the Russians work for their community? All they seem to do is steal and cheat from each other."

Nuri's new home is only half done and the family lives in the one completed room. His experience, and mine, is typical of people who come from east Europe. Czeslaw Milosz, the Polish poet, notes in his autobiography, *Native Realm*, that the personal histories of people from this strange region is one of exodus and – not always – return.

I failed in my Yalta search, but it had not been futile. I was reacquainted with my family's villa without actually finding the house. And, as the green Lada sputtered up a steep cliff and away from the sea, I was being drawn still closer to my past.

The deadliest weapons

Clive Cookson explains the roles played by germs and geography in the history of the human race

On November 16, 1532, the Spanish conquistador Francisco Pizarro set eyes for the first time on the splendid Inca emperor Atahualpa. Pizarro was accompanied by a ragtag group of 168 soldiers with reinforcements 1,000 miles away, while Atahualpa was surrounded by his 80,000-strong army in the middle of the most advanced state in the New World. Yet, within minutes, the Spaniards had captured Atahualpa and precipitated the collapse not only of his empire but of native power throughout the Americas.

That encounter in the Peruvian town of Cajamarca is the most dramatic of many clashes between peoples examined by Jared Diamond in *Guns, Germs and Steel*. The book's subtitle, *A Short History of Everybody for the Last 13,000 Years*, shows its ambitious scope as a synthesis of archaeology, anthropology, biology, ecology, linguistics and history.

Diamond, who is professor of physiology at the University of California, Los Angeles, is celebrated for his contributions to ecology and evolutionary biology and for his popular science writing. This book is a follow-on to his prize-winning account of human evolution, *The Rise and Fall of the Third Chimpanzee*, published in 1992.

For each cultural clash, Diamond invites his readers to imagine the opposite possible outcome. Could Atahualpa have come to Madrid and captured King Charles I of Spain? Why did Europeans colonise Australia and wipe out most of the Aboriginal population, rather than vice versa?

He looks first at the "proximate causes" of what happened. These are the immediate factors that led one culture to dominate another - the guns, germs and steel of his title.

Horses, literacy, political organisation and technology (especially ships and weapons) took the Spaniards to the New World and enabled them quickly to overcome all native resistance. The Incas had never encountered horses, steel swords or guns, so Pizarro's cavalry were able to slaughter thousands of Atahualpa's terrified troops in a surprise attack (betraying an earlier message of friendship) without losing any men themselves.

Germs had already helped the Spaniards. Smallpox, brought

unwittingly to the New World by Columbus and his followers after 1492, had seriously weakened and demoralised the Inca empire before Pizarro met Atahualpa. But Diamond's most interesting arguments are about the

GUNS, GERMS AND STEEL
by Jared Diamond
Jonathan Cape £18.99, 480 pages

"ultimate causes" of the world's inequalities. Why have people of European and (to a lesser extent) Asian extraction come to dominate the world over the past 500 years and exploit a grossly disproportionate share of its resources, at the expense of the

original inhabitants of Africa, America and Australasia?

Diamond provides a single sentence to sum up a long and rich answer: "History followed different courses for different peoples because of differences among peoples' environments, not because of biological differences among people themselves." He dismisses the racist explanation - still widely held - that genetic differences account for the glaring disparities in status.

The ultimate cause of white supremacy, according to Diamond, is no more than geographical chance. In particular, food production started in the Fertile Crescent of the Middle East about 9,000BC - far sooner than anywhere else in the world -

because the people living there had a much better selection of plants and animals to domesticate. No other region had wild cereals as productive as the wheat and barley of the eastern Mediterranean, or animals to match cows, sheep, goats and horses as sources of meat and milk or beasts of burden.

Diamond demonstrates in convincing detail that the flora and fauna of tropical Africa, the Americas and Australasia were much less suitable for farming, so people there remained hunter-gatherers for thousands of years longer. Agriculture enabled Eurasians to build up the population densities and food surpluses required for political, cultural and technical development.

At the same time, the combination of dense human populations and livestock production led to new animal-derived diseases such as measles, tuberculosis, smallpox, flu and whooping cough. Eurasians acquired a degree of immunity to the germs responsible but they had a devastating impact on people on other continents.

The use of viruses and bacteria by European colonists was mainly, though not entirely, unconscious (there are records of innocent tribes deliberately being given blankets previously used by smallpox victims). But there is no doubting their effect. Diamond estimates that infectious diseases from Europe, to which native Americans had no resistance, reduced the population of the New World by 95 per cent during the 16th and 17th centuries. The triumph of the conquistadores was achieved more through germ warfare than through guns and steel.

Making sense out of nonsense

Jackie Wullschlager on verse that progressed from stylistic games to psychological exploration

The cricket and the grasshopper went out to fight. At ready dressed in helmet and coat of mail: The fly carried the banner, as a dauntless knight. The scarab beetle trumpeted with all his might.

"The geese roared on the spit; Fly to that abbey... And call out 'Hot geese, hot geese'!"

Edward Lear? Lewis Carroll? No - two 15th-century English poems which show that nonsense was not a Victorian invention, as is commonly supposed, but a literary form established in the Middle Ages which, according to Noel Malcolm's original and scholarly new book, flourished during Elizabethan and Jacobean England before fading out with the Restoration.

In the Middle Ages, it was mostly about animals and images of cosmic plenty, such as the roast geese advertising themselves in the poem "The Land of Cockayne". Since crop failures and famine were ordinary experiences, utopia was "a vision in which the basic physical features of the world had become transmuted into foodstuffs". Boccaccio, for example, has mountains made of Parmesan cheese.

By Shakespeare's time, nonsense was more sophisticated, becoming a response to language itself. In the 16th century, large numbers of words were lifted from Latin and added to the English vocabulary, enriching the language immeasurably, yet introducing new registers of ornamentation which could easily be abused. Bombastic styles, such as Marlowe's, and Latinate pretensions are parodied by Shakespeare in *Lear's* *Labour's Lost*, by Sidney and Ben Jonson, and by a lawyer called John Huskyns whose poem "Cabalistical Verses" enlivened the Christmas revels at the Inns of Court.

For a century such verses were bestsellers: by 1700 Lat-

inate terms were so absorbed into the language that "it was impossible to achieve the same effects of sheer density and outlandishness any longer", and the genre was dead. But at "philosophical banquets" at the Inns in the 1600s, nonsense was staple fare as lawyers vied for virtuosity, wit and erudition at carnivalesque festivals. John Donne, clever, logical, cynical, is a typical lawyer-wit; his poem "Go and catch a falling star/Get with child a mandrake root..." is a variation on the "impossibilities" nonsense convention which lists lots of impossibilities, the most unlikely of which is generally that a lover will be false; Donne's ultimate impossibility is that a woman will be true.

King of the 17th-century fools, however, was not a Restoration.

THE ORIGINS OF ENGLISH NONSENSE
by Noel Malcolm
HarperCollins £18, 329 pages

lawyer but a self-styled "water-poet", ferryman John Taylor, whose works include "Sir Gregory Nonsense His News from No Place". Described by Simon Schama in *Landscape and Memory* as "the Jacobean counterpart of the cable Man of Letters", Taylor organised nonsense stunts, such as going to sea in a brown paper boat with stockfish as oars, then wrote about them ("The water to the paper being got/In one half hour began to rot"). His verses are mostly dreadful, but they found a wide audience. In the early 18th century an American poet aped one of Taylor's conceits, and a few years later Southey tried to revive interest in the water-poet in his *Lives and Works of the Uneducated Poets*, praising his "grandiose nonsense".

If these verses inspired Lear or Carroll, we have a link tracing English nonsense back over 300 years. But while Malcolm is right that in the 17th century "to write nonsense was not to



Plumbing the depths of a dark dreamworld which has little to do with style and everything to do with Lewis Carroll's own private longings: picture from "Alice's Adventures in Wonderland" illustrated by Anthony Browne (Julia MacRae Books, £12.95, 114 pages)

express the strangeness of unconscious thought but to engage in a highly self-conscious stylistic game", by the 18th century nonsense was much more about psychological exploration. Malcolm is a high-brow scholar at pains to stress the links between nonsense and high literary culture, and to detach it from connections with folklore, nursery rhymes, popular pageants. But Lear and Carroll, our greatest nonsense poets, had

undeniable links with the nursery rhyme world - and not just as "a parodic relationship", as Malcolm claims. When Carroll takes on a nursery-rhyme figure like Humpty Dumpty, say, he gives the character a whole new psychological depth: he is a linguistic game player, a dreamer, an anarchist who is at once threatening to Alice and pathetic in his helpless abstractions: a self-portrait, in fact, of Carroll and his

relations with the real Alice. Or take Tweedledum and Tweedledee, the black crow, the Knave of Hearts - all share the resonance of a dark dreamworld which has little to do with stylistic games, everything to do with Carroll's private longings. But that is not Malcolm's territory. Brilliant scholar, political journalist, an expert both on Boswell and on Thomas Hobbes, he is a sort of Renaissance man himself far-ranging in the scope of

his learning, rational, elitist, impervious to the claims of political correctness or trendy jargon. His prose has a satirical edge which is a continual intellectual challenge, if not always warmly sympathetic; his quirky facts - nearly 100,000 tourists visited London's Bethlehem lunatic asylum in 1707, for example - are extraordinary; and he has produced an elegant, enjoyable book which is a real contribution to literary history.

The cotton pickers' champion

This month, Arturo Rodriguez led a procession of 20,000 marchers through Watsonville, California, in support of better pay and working conditions for farmworkers. Behind banners portraying the Virgin of Guadalupe, patron saint of Mexico, and placards bearing the likeness of Rodriguez's late father-in-law, Cesar Chavez, who died in 1993, *The Fight in the Fields* - title and subject of a new appraisal of the revered founder of the United Farm Workers union - continues.

The event, except for its scant media coverage and peaceful passage, recalled the early days of the UFW in the 1960s, when Chavez launched a movement which empowered a powerless slice of US society and, according to this book, helped bring social and cultural cohesion to Chicanos throughout the US.

At the time of Chavez's crusade, Chicanos accounted for the bulk of the Californian farm labour force. Harassed by their poor command of English, their Catholic conservatism and fatalism, they were everyday victims of scabrous labour contractors and at the mercy of farmers, who stifled dissent with violence and imported strike-breakers.

The union's progress was painfully slow. By 1965, when it was heading into its first strike, it still had only 1,200 members. The authors dwell too long on the fine detail of each negotiated advance and the frequent setbacks. But proper tribute is paid to Chavez's allies and associates, such as co-founder Dolores Huerta who helped him embolden the UFW's often fearful members.

Chavez's frequent resort to Gandhi-style fasting and his refusal to contemplate violence, despite extraordinary provocations, enhanced a charismatic aura which might otherwise have escaped this taciturn organiser.

The consistent presence of the Virgin of Guadalupe at meetings and on UFW marches appears to have been as much a device to protect the UFW from accusations of communistic anti-American activities as a unifying icon around which his Chicano congregation assembled.

In such an atmosphere, it was perhaps inevitable that some should come to consider him saintly - and equally inevitable that hindsight should cast the man in a less reverent light. By the late-1970s his increasingly autocratic style cost him many of his most experienced collaborators. He insisted on maintaining central control because, the authors report, he believed the transient nature of the workforce would have made conventional union organisation unworkable. He also preferred to rely on volun-

teers, and training up lowly fieldworkers for union posts, rather than hiring skilled, paid organisers.

However unsuitable his management style may have been, there is precious little evidence in this account to support his description by one present-day grower as "a scoundrel." Long before his death at 66, maintaining stability was proving all-but impossible in an industry where the elements and market conditions govern the day-to-day availability of work and wages, and where a nomadic way of life is forced on many by the seasonal cycles of the asparagus, cotton and broccoli.

Employer resistance is still a huge obstacle today. But this is not necessarily a disadvantage to a people who recognise that, while the growers may have wealth and power, the fieldworkers have time.

They also have the law on

THE FIGHT IN THE FIELDS: CESAR CHAVEZ AND THE FARMWORKERS MOVEMENT

by Susan Ferris and Ricardo Sandoval
Harcourt Brace \$25, 333 pages

their side. Thanks to Chavez, California is the only mainland state in which farm workers are guaranteed the right to "organise, vote for a union and demand that employers make a good-faith effort to bargain collectively."

Despite its imperfections and continuing challenges, the 1975 state law is ranked here as one of Chavez's greatest achievements: "helping to pave the way to dignity for thousands by breaking the growers' near-absolute power over immigrant and ethnic minority workers. Until then, growers could bargain among themselves to set pay and work rules, and they could refuse with impunity even to talk to workers' representatives."

Yet from some perspectives, nothing seems to have changed. To the passer-by coasting alongside the vast and immaculate fields of central California, the bobbing straw hats shimmering through the heat haze are a constant feature of the Californian landscape. Despite mechanisation, once predicted to rid California's agricultural industry of its troublesome labour problems, up to 700,000 fieldworkers are still needed each year to pick, pack and prune its crops.

And as the marchers who strode into Watsonville demonstrated, the UFW may have lost momentum with death of its hero-founder in 1993, but his legacy of persistence is intact.

Christopher Parkes

Rebel with a cause

Simon Strong admires a sweeping biography of a revolutionary icon

It was his early death, and the manner of it, that made him a legend. Aged 39, the upper-middle class Argentine-born doctor who had been second-in-command to Fidel Castro during the Cuban revolution, was shot dead as he lay, sick and filthy, in a Bolivian hut after an attempt to create "another Vietnam" in the Andes.

Guevara was executed by a Cuban agent of the CIA whose hatred for him evaporated at his "courage and grace". According to Felix Rodriguez, Guevara's last words were: "I never should have been captured alive... tell Fidel that he will soon see a triumphant revolution in America... and tell my wife to remarry and to try to be happy."

In his life as well as his writings Guevara not only displayed a chilling faith in the use of violence to erase injustice and impose Communism. He also demonstrated an extraordinary capacity for personal self-sacrifice.

Anderson charts how Guevara's ironic detachment from death began as a medical student in Buenos Aires where his first business venture was a chemical to kill cockroaches; the scheme failed.

Although already hostile to the US at a time when the US government supported several right-wing military dictatorships in Latin America, the reddening of Guevara's political convictions only took place while travelling as a pauper around the con-

tinents. It was Guatemala in particular, where a reformist government was unseated by a CIA-backed coup, that transformed him. Guevara described how he would bathe his weapon in blood.

CHE GUEVARA: A REVOLUTIONARY LIFE
by Jon Lee Anderson
Bantam Press £25, 314 pages

"and, mad with fury... slit the throat of any enemy who falls into my hands". He talked about the duty of the "revolutionary doctor" to introduce "social medicine". And he discovered the writings of Mao Tse-tung, whom he found more relevant than the Soviet pantheon to Latin America.

It was with Guevara that the first contact occurred. Informally, between the Soviet Union and the Cuban revolutionaries, in Mexico in 1965. It was Guevara, according to Anderson, who forged the missile deal with the Soviets in 1962. Meanwhile, it was also Guevara who organised the trials and executions of several hundred people accused of torture and murder under the corrupt, cruel regime of Cuba's ousted dictator, Fulgencio Batista. "Either you kill first, or else you get killed," said Guevara.

When the Soviet Union backed down over the missile crisis, Guevara claimed that if the missiles had been under Cuban control, they would have fired them. While tracing Guevara's

disastrous direct involvements in the Congo and Bolivia, from where he hoped to spread revolution with scant regard for local Soviet communist parties, Anderson details the ways in which the chronically asthmatic Guevara continued to shun money and power for its own sake, shed all comforts, inspired tremendous discipline and loyalty, and sought obsessively to sink his individuality into rebel groups he believed would pave the way for global Communism.

For Lee Anderson, Guevara's dream was built on the premise that human beings could live for moral rather than material incentives. Yet the man whom Jean Paul Sartre praised as "not only an intellectual but also the most complete human being of our age" could only achieve this by distancing himself from individual reality. He treated death lightly. Hence, it came early, and made him immortal.

FT BOOKSHOP

To order any books reviewed on these pages from anywhere in the world please call +44 181 324 5511 or fax your credit card details to: +44 181 324 5678

Cheques (UK and Eurocheques only please) can be sent to: FT Bookshop, BVCD, 250 Western Avenue, London W3 6XZ
E-mail: bid@mail.bogo.co.uk

Airmail Postage Rates:	Europe	Rest of World
Hardback	£1.50	£7.50
Paperback	£1.50	£3.95

NEW AUTHORS PUBLISH YOUR WORK
ALL SUBJECTS CONSIDERED
Fees: non-refundable
Religious, Poetry, Children's
Arts, Science, Nature, Wildlife
Writers' Club
MINERVA PRESS
SOLD OUT
LONDON SW7 2SD

BOOKS

Indiscreet charm of a social butterfly

Antony Thorncroft enjoys the high-profile company of a New Elizabethan dandy

We arrived at the Mansion House too early, which was rather fortunate for I had an opportunity of speaking to his Lordship, who graciously condescended to talk with me some minutes... there was an immense crowd in the supper room, and, my stars! it was a splendid supper - any amount of champagne.

Not, as it happens, an extract from *The Roy Strong Diaries*, but from that Victorian classic *The Diary of a Nobody*. Sir Roy is definitely a Somebody, yet his diaries have an attractive whiff of Mr Pooter about them, of an innocent let loose into a society more schaming, more hostile, more self-seeking than our hero can imagine. Yet, armed with intelligence and wit, he wins through: or does he?

The barrage of publicity, the mass media serialisation, the profiles and the critiques (many from contemporaries torn apart by Sir Roy in the diaries), confirms his status as a national treasure, one, who despite a decade quietly cultivating his garden, very much remains prominent in the national psyche.

The charm of what, one fervently hopes, is the first volume of Sir Roy's diaries, which carries him through acclaim at the National Portrait Gallery to *enrui* at the Victoria & Albert Museum, is that it ends unresolved. At the conclusion we find Sir Roy, at 52, scrambling around for a new career, a new challenge, a job.

He is as much amazed at the doors that suddenly close - tentative offers of the directorship of the National Gallery, editorship of *Vogue*, a post as cultural guru at Sotheby's - as he is by the offers that come his way. He remains an *ingénue*, despite decades supping with the grandest in the land.

Sir Roy has the vanity of the insecure. The insecurity is understandable. He was born the son of a bullying commercial traveller and a

dotting mother in unglamorous Edmonton. The vanity comes from his achievement in studying his way to fame, as an Elizabethan scholar, and glory, as the innovative director of the NPG.

On the way he totally recreated himself as a New Elizabethan dandy, a cynosure of the Sixties. The contacts he cultivated helped to propel him into the most desirable and challenging of museum jobs: director of the V&A.

Here his carefully cultivated artificiality bit the huffers of reality - suspi-

THE ROY STRONG DIARIES
Weidenfeld & Nicolson £20.
461 pages

cious keepers; hostile unions and an unsympathetic, cost-cutting Labour government. He laboured on into the 1980s, when he confronted suspicious keepers; hostile trustees and an unsympathetic, cost-cutting Tory government.

Much has been made of the venom in these diaries. There is little - or it has been edited out. What comes across is the sweet naivety of Sir Roy, who is constantly surprised that allies can be false or lazy, and that a life spent gossiping with grandees - all those lists of ducal guests, all those weekends away, all that dreadful food - especially the Queen Mother's ever present rissoles - leads nowhere.

He is at his most boring in his obsession with royalty, although his impressions confirm the tabloid images. He is infatuated by Princess Margaret, a demanding hostess who fights boredom by forcing her coterie to play charades and sing songs into the early hours; he is in love with the Queen Mother, an obvious star; he finds the Queen frosty, the Duke of



National treasures: Sir Roy Strong with his wife Julia Oman in 1974

Edinburgh unsympathetic.

His instant reactions to encounters with the royal family trace his progress from a wide-eyed grammar-school boy into a fixture of the Establishment, although he still hates butlers to unpack his weekend kit. Yet little new or interesting comes out. The oddest aspect of the diaries is that the entries on meetings with the famous seldom yield anything memorable - few good stories, few *bona mots*, few scandals.

The meat of the book, and the passages in which Sir Roy shows himself an indis-

criminate Good Thing, is his introduction to each succeeding year. Here, in sustained passages of narrative, he recalls how the horrors of the 1970s are followed by the terrors of the '80s, with museums under constant attack. In fact most of his fears are never realised, although the issues - museum entrance charges, plural funding, squabbling trustees - are still with us.

The most moving passage is the death of his father; the most trite the descriptions of *grandes fêtes*. Sir Roy loses contact with the real world at the sight of a Tara, the

sound of a fanfare, the smell of a floral arrangement.

For all his success Sir Roy does not seem to have enjoyed himself much. What is remarkable is how people - Lord St John-Stevens, Lord Gower, Lord Carrington - change from heroes to villains at the turn of the page. But that is life in a roundabout society. The honesty of Sir Roy in not editing out his changing reactions, mainly epitomised in adjectives like "boring", "hopeless", "arrogant", or in port descriptions - of Vivien Dufield, "turquoise is not a colour for her", of Lord St

John-Stevens "too simplistic to say that he's a nasty man" - makes this enterprise worthwhile.

In a 1996 *envoy* he describes an idyllic contemporary life - looking out on his beautiful garden with his adoring wife (his love for Julia Oman is the most appealing and embracing feature of the work) nearby - but after over 400 pages of ill-concealed frustration it is hard not to wish that Sir Roy had not been allowed one more big job, one more chance to change the world into his idiosyncratic, but totally redeeming, image.

Lights, camera, action!

Alice Rawsthorn on a beguiling history of the film industry

On the day that *The Battleship Potemkin*, Sergei Eisenstein's portrayal of the Odessa mutiny, opened at a Moscow cinema in 1926, a very different celluloid epic, *Robin Hood*, starring Douglas Fairbanks, also opened in the city. A few weeks later Eisenstein's revolutionary masterpiece had disappeared, yet Fairbanks' vision of the feudal England that Soviet citizens were supposed to despise was playing to packed houses.

The conflict between the *auteur* tradition which has dominated European film-making and Hollywood's flair for populism is a central theme of David Putnam's *The Undeclared War*. His sub-text is the skill and determination with which the US movie studios have executed their battle-plan, aided and abetted by a succession of sympathetic administrations.

The Undeclared War begins with the birth of cinema: Thomas Edison's invention of the Kinetoscope in 1891, and the first public demonstration of Antoine Lumière's Cinématographe in Paris five years later. Lumière's innovation gave the French a headstart in the burgeoning film industry, and his compatriot, Charles Pathé, became the first movie mogul, selling twice as many films in North America by 1908 as all the US studios combined.

When the first world war brought European film production to a halt, the Americans went on the offensive. In 1914, Carl "Lucky" Laemmle bought a 230-acre ranch on the outskirts of Los Angeles to build a studio for Universal Pictures, his fledgling film company. Other companies set up studios on cheap plots in the dusty flatlands nearby, and Hollywood has dominated the global film business ever since.

The resilience of the US studios is remarkable. They ditched silent films for talkies even though Harry Warner, one of the founding Warner brothers, once wondered "Who the hell wants to hear acts talk?" Later, they scrapped a

fruitless fight against television (MGM banned the word from scripts in the 1950s) in favour of selling their films to it.

Behind the scenes, Hollywood had the inestimable advantage of political support ever since 1923, when the Bureau of Foreign and Domestic Commerce established a special motion pictures section with a \$15,000 budget. When the studios hit a financial trough in the early 1970s, fiscal incentives were tabled to help them; and at a sticky point in the 1993 Gatt negotiations, President Clinton placed calls on their behalf to both the French and German premiers.

THE UNDECLARED WAR
by David Putnam
HarperCollins £18.414 pages

Europe's once-promising film industries were either abandoned to the private sector, as in Britain, or commandeered by *auteurs* with high aesthetic ideals, but a sometimes reckless contempt for commercial considerations. The French ushered in the *auteur* era by placing film under the culture ministry's aegis in 1959; but the situation seems more dire in Germany, where only half the subsidised films made in the mid-1990s received cinema distribution.

Hollywood profited shamelessly from Europe's problems by poaching the cream of its actors, directors and producers. David Putnam included. Having made his name as one of Britain's new breed of advertising-trained film-makers in the 1970s and winning a 1982 Oscar as producer of *Chariots of Fire*, he became the first Hollywood studio during an unhappy stint as chairman of Columbia.

Putnam's professional experience, and his personal passion for the cinema, makes him admirably equipped to have written this book, which is not only rigorously researched, but laced with beguiling anecdotes. Best of all, it leaves you longing to see the films again.

Making a play for promotion

Lucy Kellaway is not convinced by two self-help books for women who want to make it to the top

What is the problem with women? One problem is that they keep writing books in which they diagnose a fresh problem with their sex and then devise a new solution.

Rebecca Abrams, a journalist and social researcher, decided that something was amiss with women when she noticed that the male students with whom she shared a house spent a lot of time reading sport in the newspaper and watching it on TV. From this slender observation she concluded that men are better at playing than women, and that society encourages them. Women, by contrast, do not play enough.

The Princessa, subtitled "Machiavelli for Women", was also born out of a revelation. Harriet Rubin, a publisher of business books in the US, was sitting in a bar with two other highly successful women. It was 3am but none of them wanted to go home and face the mess of their personal lives. Why were all of them anch-

wimps? Each could close a multi-million-dollar deal but none could negotiate their own pay rise.

So Rubin set out to help them and all potentially successful women everywhere with a slim manual for would-be Princessas. The trick, so Rubin claims, is to use one's femininity to advantage, deploying it in all kinds of devious ways to win power and conquer in all aspects of their lives.

Have either of these women hit on something important? Rebecca Abrams, certainly believes she has. In the 10 years she has spent writing *The Playful Self* she

THE PLAYFUL SELF
by Rebecca Abrams
Fourth Estate £12.99, 320 pages

THE PRINCESSA: MACHIAVELLI FOR WOMEN
by Harriet Rubin
Bloomsbury £12.99, 256 pages

has convinced herself that the absence of play is the issue facing working women - bigger than the glass ceiling, juggling home and work or the absence of childcare.

When a woman says "I'm so tired", she is, according to Abrams, saying something

very deep indeed. "These words are the key to a hidden yet shared world of self-denial, frustrated creativity, dissatisfaction, unfulfilled potential, oppressive responsibility, overwork and self-doubt."

It is quite an assertion and she has produced a book with 32 pages of footnotes in her attempt to prove it. At length she documents the fall in women's leisure time, and examines the way in which women are encouraged from an early age to be responsible and conscientious rather than spontaneous and playful.

Abrams argues that play is more than just leisure. It is something that involves enjoyment and absorption. In their rare leisure moments, women tend not to play. Ploughing up and down in the swimming pool or watching *Coronation Street* while doing the ironing at the same time simply do not count.

Despite the footnotes, Abrams does not prove that women really do play less than men (more likely, their play is just different). Neither does she prove that any absence of play matters. Indeed some of her assertions are at best pure fancy: more women than men suffer from mental illness which, she argues, is further proof that they don't play enough.

The good news, however, is that her sort of play need not be time consuming. Indeed, any woman with just one minute to spare can play

by pulling a face at themselves in the mirror. If they have a bit longer they can play through shouting or singing, dancing, eating, sex, or dreaming. In all of these areas play is possible so long as the attitude of mind is right.

Pulling faces in the mirror or shouting might seem neither enjoyable nor absorbing nor therapeutic. Indeed you would think such a suggestion was a joke, were it not that Rebecca Abrams, to judge from her writing style, does not seem to be a particularly playful person.

The same cannot be said for Harriet Rubin. Her book is itself a game - a modern-day pastiche of Machiavelli's *The Prince*. Moreover, her formula is aimed directly at what she sees as women's innate playfulness - their ability to be, to be passionate and to be outrageous.

Rubin urges women to make greater use of these skills. The female is the more deadly of the species, she insists. The Princessa should wear clothes that reveal rather than hide her breasts, as such displays put her at an advantage. She should dress in brilliant colours to draw attention to herself instead of hiding her emotions, the Princessa should display hers ostentatiously - bursting into tears if necessary to embarrass and startle the enemy.

Yet for all this colourful advice *The Princessa* makes tedious reading. A whole book is too much for such a mannered exercise - the fake Machiavelli style tires after the first page or two. Yet stripped of the conceit the book would be slim indeed, offering a relatively unconvincing addition to the already large collection of self-help books available to women who want to make it to the top.

Fiction/Michael Thompson-Noel

Zero ratings

Alan Warner's first novel, *Morvern Callar*, was so hyped and feted, so curiously over-praised, that a bookish bookmaker would have offered constipated odds on the likelihood of his second novel proving a disappointment.

And he would not have been wrong, for *These Demented Lands*, Warner's second novel, is severely disappointing: a hotchpotch (being kind) or outrage (being honest). Uncannily, it scores close to zero on almost all fronts, especially plot, characters and storytelling, though there are glimpses (nothing more) of the vigorous originality that illuminated *Morvern Callar*.

The directors of Jonathan Cape should call a board meeting this very day and ask themselves what they thought they were doing in handling *These Demented Lands* off to bookshops at such an impertinent hardback price. (There is also a paperback, at £9.99). They should try to recall it.

Not that I paid for my copy, though I did hand over part of my salaryman's packet for the paperback of *Morvern Callar*, and was glad that I did. Indeed, the funky and eponymous protagonist of Warner's first novel stalks the landscape again in his second.

Morvern Callar was "brutal", "erotic", "vivid" and "macabre", to quote four of the most accurate adjectives critics used at the time. Last month, Warner was named as one of eight novelists shortlisted for the international £100,000 Impac Dublin Literary Award. The winner, announced this week, was the Spanish writer Javier Morias, for his novel *A Heart*

So White (Harvill paperback, £8.99).

Nevertheless, to have claimed, as one reviewer did, that because of *Morvern Callar* Warner "defines the 1990s as clearly as Ian McEwan defined the 1970s and Jay McInerney the 1980s" was such tosh (in all three cases) that someone at Cape should have vetoed its use on the jacket of Warner's follow-up novel, which

THESE DEMENTED LANDS
by Alan Warner
Jonathan Cape £15.99, 215 pages

LOVE IN A BLUE TIME
by Hanif Kureishi
Faber and Faber £8.99, 212 pages

was probably hashed out (one can only guess) in about a month.

Its first 59 pages are especially irritating. They are narrated (it turns out) by Morvern Callar herself, in a manner which could be described as Argyl-twee. (Warner was born in Argyl, which is said to make him one of Scotland's new-wave dark novelists.)

Here is a bit of Argyl-twee from Page 19: "Bended double like the clans at Culloden stepping into the end, I traversed bensidas ever upwards. I climbed straight through steady blackout - the sudden Levi's going stiff on both thighs with the pershingness - knowing always, hung up in some place of above-ness like a cyan-coloured censor swinging in the wind, snugged up in the clam of a scree-clagged corrie, was the campfire:

the campfire with its angle of floor that had let me see it when I swam out in the Sound but hid from view deep down at the sole bulb of Ferry Slipway below."

I will not fatigue you with the plot. As for the characters - you wouldn't want to know. Nor, in all likelihood, will you have time to bother with Hanif Kureishi's self-consciously contemporary short stories in *Love in a Blue Time*, even though the first six (of 10) stories are not at all bad, including "My Son the Fanatic", the film of which was well received at the Cannes festival.

Kureishi's notability as a writer rests mainly on his screenplay for the film *My Beautiful Laundrette*. Some people liked his first novel, *The Buddha of Suburbia*, whose sexiness and satirical aggression were reminiscent of *Laundrette*. But fewer will have been charmed by his second novel, *The Black Album*, which was inconsequential.

As a result, there are moments during *Love in a Blue Time* when it is seems easy to imagine that Kureishi's literary ability lies more with the short story - if only because, at short-story length, he needn't bother to crank out the hits between the hits in his novels that are actually worth reading.

But no, he doesn't really hack it as a short-story writer, either. The writing is too often glazed and perfunctory. Or perhaps I'm being thick: perhaps Kureishi's tiredness and languor are somehow the clever, 1990s point. Perhaps he is not clapped out - merely faking it, for his art.

My advice: save yourself the money on both books.

THE COMMANDING SELF

IDRIES SHAH

This book while complete in itself as an anthology of hitherto unpublished work, serves to illustrate and amplify Idries Shah's preceding twenty and more books on the Sufi Way.

'This philosophy claims to be the inner part or essence of every religion... Here is the real thing, alive and full of juice and energy. People tempted to sample this pretty astonishing phenomenon could not do better than try this book.'

The Times, London

ISBN 0 863040 70 5 Price £6.85 pbk

OCTAGON PRESS
P.O. Box 227 London N6 4EW



IDRIES SHAH

ARTS

To the heart of Modernism

William Packer admires an exhibition in Berlin which explores the art of the 20th century

The millennium presses hard on us, and retrospective analysis is already the order of the day. Even so, to try to sum up the nature and achievement of the century's art, even given the scope of over 400 works by some 130 artists, would surely be a brave but foolhardy enterprise, doomed to failure. But then, cometh the hour, cometh the man: step forward our own Norman Rosenthal of the Royal Academy, and his frequent colleague in such things, Christos Joachimides of Zeitgeist-Gesellschaft in Berlin.

In the event, their *Age of Modernism*, now filling the Martin-Gropius-Bau in Berlin for the next three months (the proposed tour proved impossible to fix), while not exactly a triumph, turns out to have been a challenge well worth taking on. Their emphases, of course, their choice of artists and of representative works, were always going to be contentious. We all of us have our favourites, interests, perspectives. We would all have done it differently.

But Rosenthal and Joachimides have, for the most part, managed to secure loans that are

both appropriate to their case and admirable in themselves. Some indeed are worth crossing Europe to see simply for themselves - pre-cubist Picasso, post-Fauve Matisse and a Brancusi totem in the first room; upstairs, Kandinsky's pioneering foray into romantic, expressionist abstraction, followed directly by the proto-Minimalism of Malevich, the circle, cross and square, black on white.

But quality apart, the strength of the show rests on the fact that for once any temptation to be definitive has been resisted, and no attempt is made to tell us what modernism is. Instead, *Age of Modernism* asks us what it might be, setting out certain threads, drawing them together - though losing one here, breaking one there, especially towards the end.

So what might "Modernism" be? It has long seemed to me that what has peculiarly characterised so much of art since the mid-19th century or so, though more and more positively as time has gone on, has been the impulse within a self-identifying avant-garde to examine and clarify its own technique, structure and syntax.

This to a large extent has been a reductive process - what is left if we take away the image? Is the bare mark or touch enough? Can an idea alone stand of itself? How far can we go? And with this last has always ridden the further question: how far can we go and yet retain true feeling, experience, imaginative and creative engagement? Has art a soul?

Rosenthal and Joachimides come close to saying much the same thing. They set out their show under four headings and an appendix. *Reality/Distortion* follows the breaking down of the conventional perception of reality for something more visceral, intuitive and openly expressive.

It begins with Picasso and Matisse - the Matisse "Node: black and gold" of 1908 is for me the finest painting in the show - continues through Cubism, Futurism and Expressionism, Beckmann, early Pollock, Giacometti and Dufuffet, to end with Bacon, Freud, Baselitz, de Kooning and again Picasso, in his extreme old age.

Language/Material considers the Duchampian legacy, from the

old mischief-maker himself through Dada to Pop-Art and Conceptualism, Baums, Manzoni and Broodthaers on the one hand, Johns and Warhol on the other. *Abstraction/Spirituality* takes us from Kandinsky, Malevich and constructivism to Mondrian and on to Abstract Expressionism, hard-edge painting and Minimalism, Reinhardt, Rothko and Pollock. Klein and Fontana, Twombly, Ryman, Serra, Ellsworth Kelly and James Turrell. *Dream/Myth* follows the path of the subconscious, from Dada and Surrealism to certain aspects of Conceptualism - Picabia, Klee, Hopper, Morandi and Balbus to Koonellis, Kiefer and Boltanski. Cindy Sherman and Bill Viola. The room full of portraits brings these threads together, from Kokoschka and Schiele, Beckmann, Schad and Spencer, to Hockney, Kitz, Beuys and Warhol.

What to make of all this is rather up to us. The selection does lose its way over the past 20 years or so, biased towards German and American art over recent years, and proposing Gerhard Richter as a great master. Far too many examples, fine though they may be in them-

selves, are grotesquely space-hungry. In consequence the opportunity to cast a more generously speculative eye over recent developments is quite thrown away. A group of photo-works by Cindy Sherman is justifiable, and even a Bill Viola video, but a huge wall for one portentous piece by Christian Boltanski, and a whole room for two large photographs by Jeff Wall, are not. In such circumstances, the neglect of British art, particularly the younger British sculptors of the 1980s and '90s - no Damien, no Rachel, no Tony - is, well, surprising.

But these misgivings in its conclusion don't vitiate the exhibition overall. There is much to think about, much to enjoy, much that is serious and beautiful. It is above all, through at least three-quarters of its progress, a heartening vindication of the Modern movement, and of painting especially. Not before time, it gives Modern Art a good name.

The *Age of Modernism - Art in the 20th Century*: Martin-Gropius-Bau, Berlin, until July 27. Sponsored by the German National Lottery.



Sonia, 1928 by Christian Schad: the portraits bring all the threads together

Radio/Martin Hoyle

In hangover mood

After post-election idealism, the media led the move back to cynicism by inviting a manipulative, shamelessly self-contradicting smoothie and his overpowering wife to guest on a comedy quiz show. As the Blairs were busy we made do with the Hamiltons instead.

But the *plus ça change* award goes to last Saturday's repeat of *Any Questions*. One of the new intake more than once used "public school boys" as a gauge of loutish behaviour. Is this an early sign of rebelliousness in the ranks or is Patricia Hewitt unaware that currently the most famous public school boy is her leader, the first British PM with a public school background for over 30 years? Hewitt made her name in the field of civil liberties, where antennae for stereotypes are invaluable with cloth-capped, whippet-racing plover-fanciers, their baths choc-full of coal, and ethnic minorities with their child-like humour and natural sense of rhythm.

The hangover mood continued with Sunday's *Mediawatch* where the new heritage minister plodded drowsily through a lacklustre interview. Chris Smith glumly evoked a Dickensian clerk, a pen-pushing drudge in Mellor's former ministry of fun. Questioned about Rupert Murdoch's latest attempt to play selfish giant-cum-prima donna with televised football, Smith murmured no, they had no immediate plans to change the relevant broadcasting laws. Given the Sun's rather unexpected support of the new PM, I suspect they never will.

Monday was no better,

with Jack Cunningham, our new man in the fifth, stuck in campaign mode and apparently unable to answer any question on agriculture without turning it into a party diatribe. He clings to his predecessors' mistakes with the pathetic gratitude of a non-swimmer hugging his water-wings as he ventures into the deep end.

As in politics, so in broadcasting: thank heaven for Martin Bell. Postponed from before the election, his new series *The Truth is Our Currency* started last night. His basic premise is that we are no longer shocked, thanks to pruning, trimming and censoring; and that we should be.

His experience as a war-reporter *sans pareil* has left him nervous of vetted media coverage, "a passing show, an acceptable spectacle", and the divorce between real pain, avoided by the broadcast powers-that-be, and the fictitious, enjoyed by the public. The gap between agony and "hang-hang you're dead" grows until the bland, bloodless image takes over.

"I'm going to talk about what I know about," was the admirably un-parliamentary opening of the new MP for Totton. Bell's style is sober and gimmick-free but not above agreeable, jibing insights. It was reassuring to hear of the phoneyness of much (non-BBC) reporting of the Gulf War. Live bulletins "from the front" often meant at the back of the luxury hotel, between the hospitality tent and the swimming pool.

Many must have shared my puzzlement at how such a less than mediocre organi-

sation as CNN could have won such laurels at the time, becoming so cruddy since. Now we know. They were always cruddy.

"War is a bad-taste business," said Bell, stating an obvious truth but one not allowed to be illustrated with equally obvious ugliness. He also sees the camera as a potential weapon for peace rather than shock or sensationalism. Now that wars are waged with an eye on world audiences, camera crews are invited to be present at the handing over of prisoners, for example. Unhappily, of course, by the most insidious censorship of all - self-censorship and "good taste" not upsetting other people." Bell exudes integrity and firm-jawed honesty. His theses strikes resonances in every field of our casually brutalised society.

Sir Roy Strong has not been brutalised, although he did introduce weekday closing to the V&A museum and, as Angela Carter furiously spluttered while we strolled through a display of Japanese fruit-machines and plastic modelled food, use it for trade fairs. His diaries flaunt the values of Edna Everage and the style of *The Young Visitors*, but he was quite engaging in Radio 3's *Private Passions*: for artless egocentricity ("Cecil Beaton said, Roy, give me your terribly sad look, so I draped myself around an urn and looked wistful"), for enthusiasm ("incredible" Prokofiev, "marvellous" Strauss, "mad about Puccini"), and unflagging affection for "this funny old island". Patricia Hewitt would mistake him for a public school boy. He would certainly be a good minister of fun.



Old movie posters excite the salerooms

This Italian poster for the Marlene Dietrich film *The Flame of New Orleans* (above) is expected to sell for up to £2,400 at Christie's South Kensington on Monday in an auction of over 300 vintage film posters. Italian posters are regarded as among the most artistic of the genre and Dietrich is herself much collected.

Film posters have become one of the fastest growing collecting fields. Sotheby's in New York recently sold a poster for the Universal Studio's movie of the early 1930s, *The Mummy*, for a record \$452,000. There are only two known copies of this poster, and early horror-movie posters, especially those featuring

Boris Karloff and Bela Lugosi, are the most sought after.

In Christie's sale the greatest rarities are the only two known posters for Alfred Hitchcock's film of *The Thirty Nine Steps*. British film posters of the 1930s are extremely rare, with the wartime paper shortage leading to the pulping of most surviving examples.

These posters come from abroad, and are the first to emerge for films that Hitchcock made in the UK before leaving for Hollywood. They each carry an estimate of up to £9,000, but could go for much more. While collectors tend to concentrate on specific films (*Gone with the Wind* is a great favourite), or actors

(Sean Connery as Bond) and actresses (Audrey Hepburn is much in demand), or genres - a keen coterie collects just Hitchcock.

Even fairly recent film posters are greatly sought after. Tony Nourmand, who acts as consultant to Christie's and runs his own gallery, would be quite prepared to pay £500 for a first print poster of *Reservoir Dogs*, which was an unanticipated box office hit.

A poster for *The Ipcress File*, of 1965, is expected to make £400 on Monday: five years ago it might have sold for £25. Hammer horror movies of the late 1950s are also collected and the 1958 poster for *Dracula*, with Peter Cushing, is

estimated at up to £5,000. Ealing Studio posters for films like *Kidnapped* and *Coronet* and *The Man in the White Suit* have also broken through the £1,000 barrier.

Condition is very important - except for very rare, very early posters - and obviously numbers count: the posters for current blockbuster movies are now immediately available retail, and will never become valuable. But, to date, film posters offer an affordable, colourful, collecting field, with enough new discoveries to keep the excitement building - just like the movies.

Antony Thorncroft

Television/Christopher Dunkley

The greens take a bite at Big Mac

Weekend television is often dire, but this week Channel 4 provides a good reason for staying in on both nights. *McLibel* is a fascinating reconstruction of the longest civil case in British legal history, in which the hamburger company, McDonald's, is suing Dave Morris and Helen Steel of London Greenpeace, for libel. The hearing began in June 1994, lasted until December 1996, and the

judge is not expected to announce his verdict until next month at the earliest. It is not difficult to see why McDonald's felt it had to bring the action, nor difficult to see that from the beginning it was on a hiding to nothing. The members of

London Greenpeace (not to be confused with Greenpeace International) organised a campaign which had, in their own words, "The aim of smashing a multinational [which] epitomises everything we despise: a junk culture, the deadly banality of capitalism". They distributed pamphlets which used words such as "McDeadly", "McCancer" and "McDissease" and alleged that McDonald's products could be linked with food poisoning, heart disease and cancer. They also accused the company of

exploiting its staff, causing pain to animals, and contributing to the destruction of rain forests by raising beef on cleared land.

Originally McDonald's took action against five members of London Greenpeace, but three apologised and withdrew their allegations. In *McLibel* we hear one explaining as a witness that his only reason for doing this was that he had been told legal aid was not available and he feared going bankrupt. He still believed everything in the pamphlet. Morris, played by Peter-Hugo Daly, and Steel, played by Julia Sawalha, decided to represent themselves and fight the case. They wanted a jury but the judge, Mr Justice Bell, declared that the detail was too complicated for members of the public and decided to hear it on his own.

Tonight's programme runs for 1½ hours and tomorrow's for 1½ hours, hardly excessive when you are condensing 313 days of court hearings. Of course courts provide one of the classic settings for high drama, and this case - with a pair of Davids up against a multinational Goliath represented in court by Richard Rampton,

QC, on an alleged day rate of £2,000 - is particularly gripping. But it is not the drama that his story has.

The sensation inspired quite early in Programme 1 is a pride in being part of a culture which is not only willing to devote such time and trouble to settling a matter of this sort, but which believes this is the right and only way to do so. The other unexpected effect is to create something close to "Stockholm Syndrome", the phenomenon observed so often among hostages and hijack victims who come to sympathise with their captors. At one time or another the viewer comes to sympathise with virtually everybody in the trial.

There is a moment when Morris asks a black executive from McDonald's "Isn't it a fact that the shit work in society is done by disadvantaged groups?" and Rampton jumps up saying "My Lord, may I ask what that means?" only to be told by Mr Justice Bell "Well I know what it means", making you want to cheer for the judges who have come so far since the days of "What are The Beatles?"

There is no disguising the fact that a political confrontation occurred in that courtroom, with emotional environmentalists full of concern for the ecosphere facing free-market traders dedicated to supplying popular products at low prices.

Though it is not the purpose of the legal system to test the strength of such competing philosophies, it is a triumph of both that system and the television production that this is, nevertheless, what the viewer is induced to do. Even in this heavily condensed version the detail explored in multifarious subjects from the rearing of battery hens to McDonald's use of a "bustle" policy, from the abattoirs' "captive holt system" of stunning cattle to the psychology of using clowns to attract children with advertising campaigns, seems astoundingly thorough.

The direction is invisible, which is greatly to the credit of James Cellan Jones. The acting is so good that you forget this is a dramatised version and watch as though

observing the real people during actual court proceedings. And although the viewer cannot know what has been excluded, the programme team under producer Dennis Woolf seems to have done an astonishing job of condensing uniquely lengthy proceedings to create a coherent whole. The result is hugely to the credit of Channel 4 in particular and television in general.

BRITISH MASTER GOLDSMITHS

A celebration of fine design and craftsmanship by Britain's premier makers of contemporary jewellery and silverware

29 MAY - 28 JUNE 1997

A Goldsmiths' Company Exhibition

Goldsmiths' Hall, Foster Lane London EC2V 6BN Monday-Saturday 11.00-17.00 Admission Free St Paul's

ST. JOSEPH'S HOSPICE

MARE ST. LONDON E2 4SA (Charity Reg. No. 23222)

"Her final days with you were among the happiest of her life. Your gentle skills convert the dismal business of dying into an art-form."

These poignant words from a bereaved husband are echoed again and again by grateful families.

They are quoted here in thanksgiving to you for the kind support on which our care depends.

Stater Superior

Matthew Alexander New Paintings



Watery Reflections, Greenwich Board 20 x 30 ins

Exhibition 21st May - 7th June

This year's annual exhibition includes 60 works from East Anglia, the South Coast and Devon, whilst further afield there are views from Provence, Venice and Rome.

Gallery opening times: Weekdays 10.00 a.m. - 6.00 p.m. Saturday 10.00 a.m. - 4.00 p.m.

DAVID LLESSUM Fine Art

8 Cork Street, London W1X 1PB Telephone: +44 (0) 171 437 5545 Facsimile: +44 (0) 171 734 7018

ART GALLERIES

ROYAL SOCIETY OF PORTRAIT PAINTERS Annual Exhibition 25 May, Daily 10-5. Mail Galleries, The Mall (near Admiralty Arch) London SW1.

ARTS

Cannes Film Festival/Nigel Andrews

Odd couplings

Someone rightly called the Cannes Film Festival a "ship of fools" the other day. Even more than in most years, Cannes 1997 has been like 12 days on a leisure cruise with little leisure or like a spell on a floating Bedlam where the straitjackets are designed as dinner jackets. It has also served up some bewildering relationships. A Queen and a Scottish horsekeeper. A Japanese ex-convict and an eel. Two Sapphic women in the Australian outback, plus a corpse. Two gay Germans in a Nazi prison camp. And in the French film *Une Femme Défendue*, which I liked more than some raspberrying colleagues, the tender *amour* between a girl and a movie camera, the latter representing the point-of-view of the heard but never seen male lover.

The Queen and her horsekeeper, though, win the Odd Couple Handicap by a mile. Miramax, the American mini-major who backed *The English Patient*, are already putting their promotional powers behind the tiny-budgeted *Mrs Brown*, in which Queen Victoria (wonderfully played by Judi Dench) and John Brown (unbelievably played by Billy Connolly) find friendship amid the ashes of the monarch's recent widowhood. 1860s Balmoral is done on a pittance, with bargain actors wearing beards or wigs, or both in the case of Anthony Sher who drops by as Disraeli. But who needs film production values with a good script and great performances? Here we get both.

The UK movie resurgence has

been a headline event at Cannes this year, prompting articles in the trades and PR events around the Palais steps. Here Kate Winslet, Ewan McGregor, Emily Watson and other luminaries pranced and posed for pictures in a special "British cinema celebration day". However, since most UK movies at Cannes have shown non-competitively, including *Mrs Brown*, we can pause only briefly to salute Richard Kwestnowski's *Love And Death On Long Island* - John Hurt ruefully funny as a gay Humbert Humbert - and Sean Mathias's powerful-in-parts *Bent* (but not the parts with Mick Jagger in drag) before venturing into foreign fields.

Australia's *The Well*, Japan's *The Eel* and Canada's *The Sweet Hereafter* are this writer's Palm favourites to date, though Ang Lee's *The Ice Storm* won praise from other critics for its meticulous pastiche of American mores in the 1970s, from waterbeds to wife-swapping. (Too much sermonising is added for my taste.)

The Well is a smoking piece of Antipodean Gothic, stark and gaunt as a thunder egg. Made by a virtually all-woman ensemble - debut director Samantha Lang, screenwriter Laura Jones (of *Portrait Of A Lady*), a woman producer and cinematographer - it is a two-handed passion play. Spinster homesteader Pamela Rabe develops a crush on orange-haired nymphet Miranda Otto, her live-in maid, and nothing is able to come between them until a man is run over and killed one

drunken night. The "well" then becomes, to horrifying effect, the third character.

The film is spoiled only by a final plot twist that all but untwists the good work done before. Elsewhere, this is a richly-imagined meditation on love, jealousy and the frustrated creativity of gay relationships.

The Eel slithered into view in mid-festival, courtesy of ex-Golden Palm winner Shohei Imamura (*The Ballad Of Narayana*). A man is paroled from jail eight years after the murder of his unfaithful wife, viewed in a violent prologue. In his new life as a barber, he falls in love with a young woman, falls foul of gangsters, and all but falls into the precious tank where he keeps his pet eel, the object of a bizarre, emblematic *amour fou*. (Freudian undoubtedly, but also related to rivers of life and the defiance of the disemulated.)

The tone switchbacks between farce and melodrama, pausing for pit-stops at scenes of a gentler landscape lyricism. It is a weirdly likeable film, a poem to regeneration phrased like a series of mysteriously-linked haikus.

Best of all has been Atom Egoyan's *The Sweet Hereafter*. This latest field trip by the director-anthropologist who made *The Adjuster* and *Exotica* takes us to a snowy Canadian town numbed by grief after a school bus disaster. The movie's "hero", soon unmasked as more its villain, is lawyer Ian Holm, seeking not just damages for the bereaved parents but a vengeful solace for his own estrangement from a drug-addicted daughter.



Billy Connolly and Judi Dench give tremendous performances as John Brown and Queen Victoria in the low-budget British 'Mrs Brown'

Masterfully intercutting different time-zones, Egoyan gives this story almost the weight and resonance of a Greek tragedy. The moral dilemma is whether a divisive and ill-motivated search for the "truth" is preferable to an accommodation with the past that allows people to breathe anew for the future. Thematic abstractions - but lent reality and colour by Egoyan's mosaic eyes for the revealing details of people's lives and lifestyles.

The competition had its débâcles as well as its delights. In

Johnny Depp's *The Brave* the actor-turned-director crafts two hours of idiot Indian mysticism, while Francesco Rosi's *The Truce* is a 10-years-in-the-making film of Primo Levi's post-Auschwitz European odyssey which seems like 10 years in the viewing. John Turturro, playing Levi, drowns like everyone else in a sea of flaccid piety.

With two other movies, controversy all but drowned verdicts on quality. Lynne Stopkewich's *Kissed* is a startling tale of necrophilia delivered in a tona of True

Romance wonderment. And audiences were divided over whether Austrian director Michael Haneke's *Funny Games* was good, bad or just horrific. A mum, dad and small son on a lakeside holiday are held captive and psychologically tortured by two young psychotics. I found the film frightening and cathartic. Others found it repellent.

But at Cannes you have hardly left one auditorium before you are tumbling into another. A day that may begin with *L.A. Confidential*, a briskly convoluted,

all-star Warner cop thriller, may end with *Private Interviews*, a somberly hypnotic Ingmar Bergman-scripted chamber drama.

Bergman himself was honoured with a career Palme d'Or, though his unwillingness to travel meant it was presented in *absentia*. He has been the only legend missing in a town that has filled up almost daily with Coppolas, Altmans, Kurosawas, Scorseses and their like: a Golden Jubilee Cannes that few are likely to forget, assuming they mustered the stamina to survive it.

Russians warm to Wagner

Richard Fairman reviews the premiere performance of 'Parsifal' at the Kirov Opera



Alexey Steblikov and Valeria Sten'kina as Parsifal and Kundry

Valeriy Borzakov

Walking down St. Petersburg's Nevsky Prospekt after an absence of 12 years is quite an eye-opener. Who could have predicted how completely the Russian consumer would become bewitched by western brand-names? A search for a genuinely Russian high-class product is likely to bring forth only one candidate and that from an unexpected source: the Kirov Opera is a world-beater and its name guarantees quality in the same way as any of the most highly prized brand-names in the west.

These days journalists from London fly out for a first night at the Maryinsky Theatre as they do to La Scala, Milan or the Metropolitan Opera in New York. Valery Gergiev, the Kirov Opera's astonishingly energetic artistic director (now appointed to head the Kirov Ballet as well), has raised the standard and profile of his company to the highest international level. In short, he has shown what the "new" Russia can do and another landmark was passed last weekend when the Maryinsky became the first of the country's main opera-houses to stage *Parsifal*, an occasion rich in historic significance. How things have changed.

My first visit to the Maryinsky Theatre, back in 1984, was far from a success. I took a taxi to the theatre, blithely hoping to purchase a seat for *Yevgeny Onegin* that night. Upon arrival, the taxi was mobbed by a huge crowd of middle-aged women until they realised there was no ticket for sale. I went instead to the

Maly Theatre, where tickets could be acquired more easily if one had an appropriate bribe, like the woman who handed over a plastic bag filled with toilet rolls. To this day I dream of walking into Covent Garden or the Met and offering to pay for a seat for Pavarotti with loo paper.

Even at the Kirov's *Parsifal* this year there was little sign of the black market. Tickets sell in the range of \$20 to \$70, though for less in roubles to the Russians. State subsidy plays a shrinking role and the Maryinsky souvenir book includes an impressive list of corporate members. Most are western, but they say Russian companies are also starting to come forward and this should help the Kirov through a difficult financial period, when it is amazing it can tackle a big opera like *Parsifal* at all.

Wagner's operas enjoyed a glorious early history in St. Petersburg. The composer visited the city for six concerts in 1863, and the Maryinsky Theatre led the way in staging his operas (*Lohengrin* in 1868, *Tannhäuser* in 1874). But anti-German feeling after the first world war and then again after the second put paid to his place in the repertoire. During the Soviet era his music was almost never played and, as Gergiev says, his task has been to recreate over the last few months a tradition which in western opera-houses has had over a century to mature. Nobody would have known it. Close your eyes and this was a Wagner orchestra to equal any in the world. Gergiev has worked with his Kirov players over the last 10 years

to create an exceptionally warm and subtly blended sound, which is perhaps too soft-edged for Italian opera (their recent recording of Verdi's *La forza del destino* lacked red-blooded punch) but is near ideal for Wagner. A magisterial phalanx of double-basses provides a deep-seated foundation to the overall sound, and the Kirov brass are the kind that never bite, but glow with rounded tone.

In a year of important new productions of *Parsifal* in Europe Gergiev himself can hold his head up high. On balance, his was probably the most satisfying performance, more skilful at pacing the long acts than Simon Rattle in Amsterdam, less content to skim across the surface of the music than Armin Jordan in Paris. He threw himself into the second act as though plunging into a cauldron of evil; and if he can let the great opening scene of Act 3 take its time and breathe a more rarified atmosphere, Gergiev will have a well-balanced *Parsifal* under his belt.

The cast was a decent one. An idiomatic grasp of the German language does not come easily to Russian speakers, so there was a lot of incomprehensible spluttering of Slavic consonants, but the voices were mostly up to the task. Fedor Mozhaev made a strong Amfortas and Gennady Bezzubenko sang a dignified and sympathetic Gurnemanz. Neither Alexey Steblikov's burly Parsifal nor Valeria Sten'kina's vocally cautious Kundry was quite right for the role in hand, but they made an effective showing in

their second act encounter together. Nikolay Futilin was a fierce Kling-sor; Nikolay Okhotnikov boomed impressively as Titurel. The Kirov chorus lived up to its fine reputation.

It would be nice to say that the production by Britain's Tony Palmer played a major part in the evening's success, but it was one of those stagings that leaves one grateful for negative reasons. Yevgeny Lysy's designs - mostly glittering back curtains - were made 10 years earlier for a production of *Lohengrin* that never happened, though it would have been difficult to tell. They had a certain abstract beauty and Palmer left them to glitter, moving his singers around within them unconvincingly. Generous supplies of dry ice were his other main contribution. The Kirov provided a noble band of young flowermaidens, who ran on only to disappear from sight engulfed in a huge billowing cloud.

Fortunately, one of the best of them had already been heard and seen the night before. The young soprano Anna Netrebko was part of an excellent all-round cast for Glinka's *Ruslan and Lyudmila*, joining other first-rate Kirov singers such as Yuri Marusin, bass Mikhail Kit and exciting mezzo Larissa Diadkova. With Gergiev again in the pit and the Kirov orchestra at the top of its form, this was Russian opera of a standard to match the best Italian fare at La Scala or German opera in Berlin. The Kirov is the Russians' first luxury brand-name. They should be grateful to Gergiev for showing them how to create one.

Glyndebourne makes the right noises

Tomorrow night, the Glyndebourne Festival opens amid the Sussex Downs. Few arts festivals attract such a misinformed image. The myth is that a rich exclusive coterie, dressed to the nines, quaff champagne on the lawns, while enduring the occasional interlude of some chirpy opera, invariably by

Mozart, for which they have paid £100 and more.

In practice Glyndebourne produces one of the most innovative opera seasons in the UK. Although most of the tickets are snapped up early by over 6,000 Friends, since the new auditorium was completed three years ago, lifting the capacity from 830 to 1,250, over a third of

the seats are available to the general public. Most of the extra seats are at the lower price range, and you can still see opera at Glyndebourne this season for £10 - if you stand.

The fact that Glyndebourne is presenting one of Britten's less performed operas shatters another myth - that the opera is populist. The season opens with Puccini's *Manon Lescaut*, not given a major production in the UK since 1983. The other operas include Janáček's *The Makropoulos Case* and Handel's *Theodora*, both regarded as challenging, rare, even unpopular works until presented at Glyndebourne to rave reviews; and *Le Comte Ory*, another work by a celebrated composer, Rossini, which gets little British exposure. Only *Le nozze di Figaro*, maintaining the tradition of one Mozart a year, can be regarded as an obvious crowd-pleaser. Glyndebourne's artistic reputation has never been higher.

It is also a great commercial success - last season it sold 100 per cent of its seats. It has to. The festival receives no subsidy and the £6.3m from box office receipts represents 70 per cent of its revenue. The larger house has increased income by a quarter, although costs have risen almost as much. Any extra cash has gone on paying art-

ists more: their financial sacrifice is less, but the repertoire is more challenging.

This is evolving remorselessly under the managing triumvirate of general director Anthony Whitworth-Jones; music director Andrew Davis; and director of productions, Graham Vick. Glyndebourne's chairman, Sir George Christia, whose father started the festival in 1934, still advises, but leaves most of the decisions to the threesome.

Their tastes contrast and complement. Whitworth-Jones has broadened Glyndebourne into a Handel-Rossini house, adding a new production, usually a rarity, by each composer on alternate years. It is Vick who pushed through *The Makropoulos Case* and the Puccini which, like last season's *Lulu*, could only be attempted in the new, larger, auditorium. Sir George is the champion of Britten.

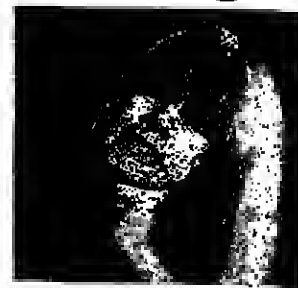
Glyndebourne is still not big enough for major Verdi but a fresher repertoire is stretching the capabilities of the new house. At the same time a more challenging production style is apparent, most noticeably in the choice of Deborah Warner to direct *Don Giovanni* and Peter Sellars to stage last year's big hit, *Theodora*. This year Graham Vick will mount an unusual *Manon*

Lescaut and Jérôme Savary, a celebrated comedian in France, is let loose on *Le Comte Ory*.

Glyndebourne is creating a new, contemporary aesthetic; but it must be careful not to become as stereotyped in its approach as the Coliseum during the "powerhouse" years of the 1980s. And not everything is perfect. A few Friends took one look at the re-built Glyndebourne, glowering fly-tower and all, and cancelled their membership. The offices in the new building are proving too hot in summer, and, surprisingly, the orchestra pit is causing problems. There is also the possibility that in a couple of years, Sir George Christia, at 65, will relinquish the chairmanship.

But with its growing educational programme and its six weeks national touring, its production of a new opera every three years (*Jonathan Dove's Flight* is scheduled for 1998) and an international tour planned for the millennium, Glyndebourne is making all the right noises. It is even planning a new Mozart cycle. With all this political and artistic correctness you would think it was a subsidised company rather than a family affair, a national opera house rather than a festival.

Antony Thornicroft

Jazz
Carla's song

Characteristically surreal themes permeate the ensemble writing. "I based one piece on a daydream I had about Germans living in Argentina and trying to get into the swing of life there," she explains, deadpan. "Half the band are playing a tango but the violins and violas keep bursting in with a waltz."

Bley's off-kilter conception and disregard for big band mores have made her less popular with US jazz audiences than abroad. "I'm too weird back home," she says happily. "I have just one gig in the States this year, at the Knitting Factory in New York, an avant garde place." Fortunately, commissions keep arriving from Europe and Japan at the studio/home she shares with bass player Steve Swallow. Enough work, in fact, for

Bley to employ a full-time orchestrator, Jeff Friedman. Their latest job together is to re-orchestrate her epic jazz opera *Escalator Over The Hill*, recorded in 1971 and never performed live, largely for practical reasons (its extensive use of overdubs). Resurrected for the Cologne Musik Triennale in June this year, the work's libretto will be read by its author, Paul Haines.

Bley's music is less earnest today than it was 25 years ago, but increasingly sophisticated despite itself. It is ironic that at the same time as she instinctively moves towards a latent slapstick element in her writing, that she should begin incorporating non-improvising musicians. "The two go together," she says. "Because the more serious I try to be, the funnier it comes out."

Garry Booth

The Carla Bley Big Band tours to Newcastle, Birmingham, Bury 'St Edmunds, Brighton, Leeds, Bath, Manchester and Salisbury.

Shakespeare's
Globe Theatre

Opening Season
27 May - 21 September 1997
BO 0171 401 9915
0171 344 4444 (24hrs)

Henry V
The Winter's Tale
Times: Sat 2pm and 7.30pm
Sun at 4pm

With AVI hi-fi there is no harsh reality.

Just truly satisfying realism - crisp, clean, sound without harshness or compromise. When choosing quality hi-fi, everything you hear about AVI is true. Especially if you listen to the experts. Gramophone magazine presented AVI with two prestigious awards for its "high perfect audio". While Hi-Fi News and Record Review, suggested AVI should be "highly recommended to any serious music lover". AVI Systems start from around £2,750. To hear true reality, call 01453 752656

AVI
An International

AV International Limited, Unit F2C2, Roth Road Trading Estate, Stow, Gloucester GL5 2QF, England

SPORT / MOTORING

Sporting Profile

A slugger to slice through convention

Derek Lawrenson on the hard-hitting, fast-living Laura Davies, a unique international champion

It does not take long to come up with a physiological profile of a successful golfer, culled from the evidence of the last 20 years. We are looking at someone in their early 30s, who is white, above average height, slim build, with two homes, two marriages, and three children: who practises all day under the tutelage of a man who stands behind the subject in question with a video camera in tow.

There are, however, two players who do not so much peek out from under the blanket of such convention as dance gleefully all over it. Happily, they are the leading protagonists in both the men's and women's games. No wonder the sport has never been more engrossing. But if you thought Tiger Woods was something a little different, what about Laura Davies...

True, she fits into the first three categories but thereafter things go awry. As for a golf coach, she has never had a lesson in her life.

This weekend, in the American state of Delaware, the 32-year-old from Surrey is busily defending one of the two major championship titles she currently holds. Her routine leading up to the event, the LPGA championship, was entirely typical. Every other golfer in her position would have either rested last week or played in a nearby tournament. Davies' warm-up event was in Japan. She returned to Washington last Tuesday and played a single practice round the following day.

If anyone so much as suggested that routine to Nick Faldo, it would be wise not to hang around for the reply. Davies will no doubt make some concessions to the stereotype. This being a major, she will resist the temptation to fly up to Atlantic City for an evening to indulge in some blackjack. As England are not playing any World Cup matches, she will have no need to carry her portable television on to the course to monitor their progress.

How good would she be if she concentrated fully on playing golf, on doing the "right thing", the slaves to

convention want to know. The truth is probably not very good at all. Some players are simply better off playing by instinct and forgetting the game completely when they come off the course. Davies' story reminds me of that of Babe Ruth, the great baseball slugger who turned out for the New York Yankees in the 1920s. Both used their size to devastating effect to dominate their sport. But the hang-ups that often come with being large are obvious too in their personalities. For all their love of gambling, of fast cars, and finding themselves the centre of attention, there is a chronic shyness too, and a feeling that the lifestyle is dictated by this.

Some told her to get a coach. Some said more discipline. Davies ignored these preachers

"I'll probably die an absolute pauper but I'll have had a hell of a time," Davies once said in an interview. It is to be fervently hoped she avoids this fate which befell the Babe.

It was Davies' brother, Tony, who introduced her to the game at the age of 14. Within three years she was playing top amateur golf, and began to entertain notions of turning professional. Her last report from school concluded that she was wasting her time, since there was no money in it.

With a personal fortune estimated at £7.5m and rising, it is safe to say that this is another of those school reports that time has proved spectacularly wrong. Bizarre as it seems now, she was a somewhat controversial choice for the 1984 Curtis Cup, the biennial fixture Great Britain and Ireland's leading amateurs play against the Americans. The selectors' faith was stirringly justified. In the final day's singles, an

inexperienced Davies was drawn against the three times US Amateur champion, Ann Sander. At the difficult final hole at Muirfield, Davies registered a memorable birdie to win by a single hole.

Great Britain and Ireland lost by a single point but it proved to be the making of Davies. Hitherto, her shyness had inhibited her golf. Her amateur record had been nothing to write home about. But the unusually enlightened decision of the selectors gave her the confidence to show in public what had been obvious in private. Davies turned professional shortly afterwards and, in her first year, finished top of the order of merit.

Like the men's game, there are four major championships every season but the US Open is the one that every woman desperately wants to win. Davies won it in 1987, at the age of 23.

It is one of the enduring virtues of golf that at its highest level it remains a sport largely untainted by jealousy. When a player emerges who is clearly destined for greatness, no one is invariably more excited at the prospect than the leading practitioner from a previous generation.

So it was at Augusta in April when Jack Nicklaus led the accolades for Woods and it was 10 years ago for Davies, after she played for the first time with Nancy Lopez.

"Laura will become as great as she wants to be," said Lopez. "If she sets her mind to beating my records she will demolish them. She has more talent than anyone I have seen. It is just a question now of how badly she wants it."

In the decade that has passed, there have been times when it seemed she did not want it badly enough. Some experts told her to get a coach. Some thought more discipline was required. It would be a start, this argument ran, if she was ever seen on a practice ground.

Davies, as ever, simply ignored these preachers. She proved them wrong, too. She came through her rough years to enjoy a season in 1996 that in time may come to be judged as her best.

Whatever continent she played on she won. During the Euro 96 Championships, she was so intent on watching England play Scotland that she took a portable television on to the course during her third round. It must have looked a little strange to the spectators when she started

cheering England's goals from the middle of the fairway. She still won the event by a stroke.

She has started this year in like-minded vein, winning the Standard Register Ping tournament in Arizona for a fourth year in succession, the first player to complete such a sequence in any

tournament since the days of Gene Sarazen and Walter Hagen.

If there is one thing about Davies' career that causes sadness it is that a galaxy of players have not been inspired to follow her example. It is a total indictment of the sport that the professional lives of the

two most talented players of the last 15 years have been wasted in this way.

In Spain, Severiano Ballesteros' legacy is not a glut of young Seves, because no one thought to build any municipal courses where they could play. In England, the number of young girls playing the sport has

actually fallen during Davies' time in the game.

The last person to blame is Davies herself. Her support for the European women's game has been exemplary. Every year she criss-crosses the Atlantic at least a dozen times to play in lesser European tournaments, at considerable cost to herself since she is invariably skipping an American event offering much more prize money. Her reward is a loyal audience. The average women's event in Britain with Davies in the field attracts an audience that comfortably exceeds the turnout for a typical club rugby match. But, significantly, there are usually few girls watching.

The media must shoulder some of the blame. While women's tennis gets acres of coverage, women's golf usually has to make do with at best a few paragraphs at the bottom of a forgotten page.

It is a sad fact that for all her international successes, for all that she is indisputably the leading British sportswoman of her time, the only occasion that Davies has ever made the front page of any newspaper was when she revealed that she had lost £500,000 during her gambling spree. Even the specialist press have been neglectful. Davies' win this time last year in the LPGA Championship warranted less than half a page in *Golf Weekly*.

One interesting, though ultimately trivial, debate is whether she could compete equally against the men. On a wide open golf course with little rough and medium paced greens, the answer is that she could perhaps finish in the top 20. On a typical tournament course, she would, however, have no chance. The rough is too thick. And while Davies hits it hard, she does not hit it as hard as the men.

Davies knows this. She also knows that she has been blessed with a unique talent, one that makes people worldwide grateful for the fact that she is the most hard-working of players, frequently cramming in up to 40 events a year; the average top male player, by contrast, will play less than 30.

In a recent magazine article, one female polemic argued that if Davies had a 20-inch waist and looked like Claudia Schiffer she would earn 50 times more money.

Maybe. But it would not be through playing golf. No woman could hit the ball like Davies with a 20-inch waist. No one would turn up to watch either. Davies is feted wherever she plays precisely because she uses her size to drive the ball 50 yards past anyone else.

In this respect the story remains the same. It does not matter if the green pastures are in Yankee Stadium or some verdant golfing fairway; whether it is the 1920s or the 1990s; whether it is a man or a woman. Everyone loves a slugger.



CUMMINGS

Road Test

New Citroëns aim to do the business

Stuart Marshall samples two Xantias with executive qualities

Citroën is attacking the business car market with two new versions of the elegant, graceful Xantia. A three-litre, V6 Exclusive is aimed at company car drivers and user-choosers.

Meanwhile, those who value low fuel consumption and a long range more than fierce acceleration and lots of legally nuisanceable performance are offered a highly specified and luxuriously trimmed 2.1-litre, turbo-diesel V6X saloon or estate. With 20 per cent more power, it goes considerably

better than the present 1.9-litre, TD-engined cars but is just as economical.

The Exclusive's engine produces 194 horsepower against the 170hp of such rivals as the three-litre Renault Laguna, and 2.5-litre Ford Mondeo Ghia and Vauxhall Vectra CDX V6s. Should you find yourself on a deserted stretch of autobahn and put your foot hard down, the V6 Xantia would reach 140mph (225kph). A typical consumption of 34.4mpg (11.6 l/100km) is claimed.

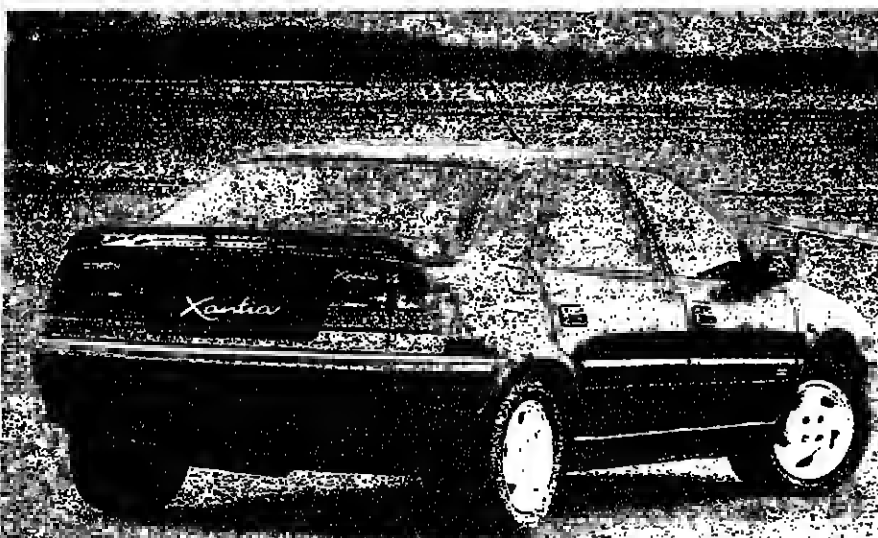
On a more practical level,

oil top-ups between services are a thing of the past. This is because of a two-litre min/max tolerance in sump contents. The can belt has a life of 100,000 miles (161,000km) instead of the usual 60,000 miles (96,000km).

On the motorway, the Exclusive waits along at the speeds of a business motorist in a silence broken only by modest tyre rumble. The Hydractive computer-controlled suspension provides class-leading comfort, a constant ride height regardless of load and minimal roll on corners. Then, too, all the

good things motoring executives expect are there: the power-adjusted front seats, touches of wood veneer, soft leather trim, automatic air-conditioning, twin airbags, a CD player, cruise control and an engine immobiliser.

The Exclusive makes the three-litre Citroën XM seem rather redundant, but it is a different story if you want a turbo-diesel automatic. The XM is still the only Citroën with the winning combination of turbo-diesel performance and economy and the convenience of automatic transmission.



Citroën's Xantia V6 Exclusive... all the good things a motoring executive expects to find are there

As the 2.1-litre, 110hp turbo-diesel of the new Xantia V6X saloon and estate comes from the automatic XM, why not a two-pedal Xantia executive turbo-diesel? Citroën says there simply is not enough under-bon-

net space for the engine with automatic transmission, even though the three-litre petrol V6 and automatic gearbox fit there nicely.

A paradox? I thought so. But the answer is that the new generation three-litre

petrol V6 is more compact than the 2.1-litre diesel, which dates back to the 1980s.

The five-speed shift and clutch are pleasantly light and the engine pulls so strongly at low speeds that

third gear at little more than tick-over deals with urban crawling. Fourth gear copes with all but the steepest hills and ensures overtaking is quick and safe.

High overall gearing - over 27mph (43kph) at 1,000rpm in fifth - makes for peaceful motorway cruising and an average 40mpg (7 l/100km) fuel consumption. A sympathetically driven 2.1-litre V6X turbo-diesel could go well over 500 miles (800km) before its 65-litre tank needs filling, compared with 300 miles (480km) for the V6.

The Xantia 2.1 turbo-diesel saloon and the sleek (yet very roomy) estate have most of the V6's executive goodies such as leather seats and air-conditioning, but not the CD player or cruise control - and power-adjustable front seats are £200 extra.

Prices will be £19,815 (saloon) and £20,785 (estate) when the new turbo-diesel Xantias, and the £21,995 V6 Exclusive, go on sale in Britain next month.

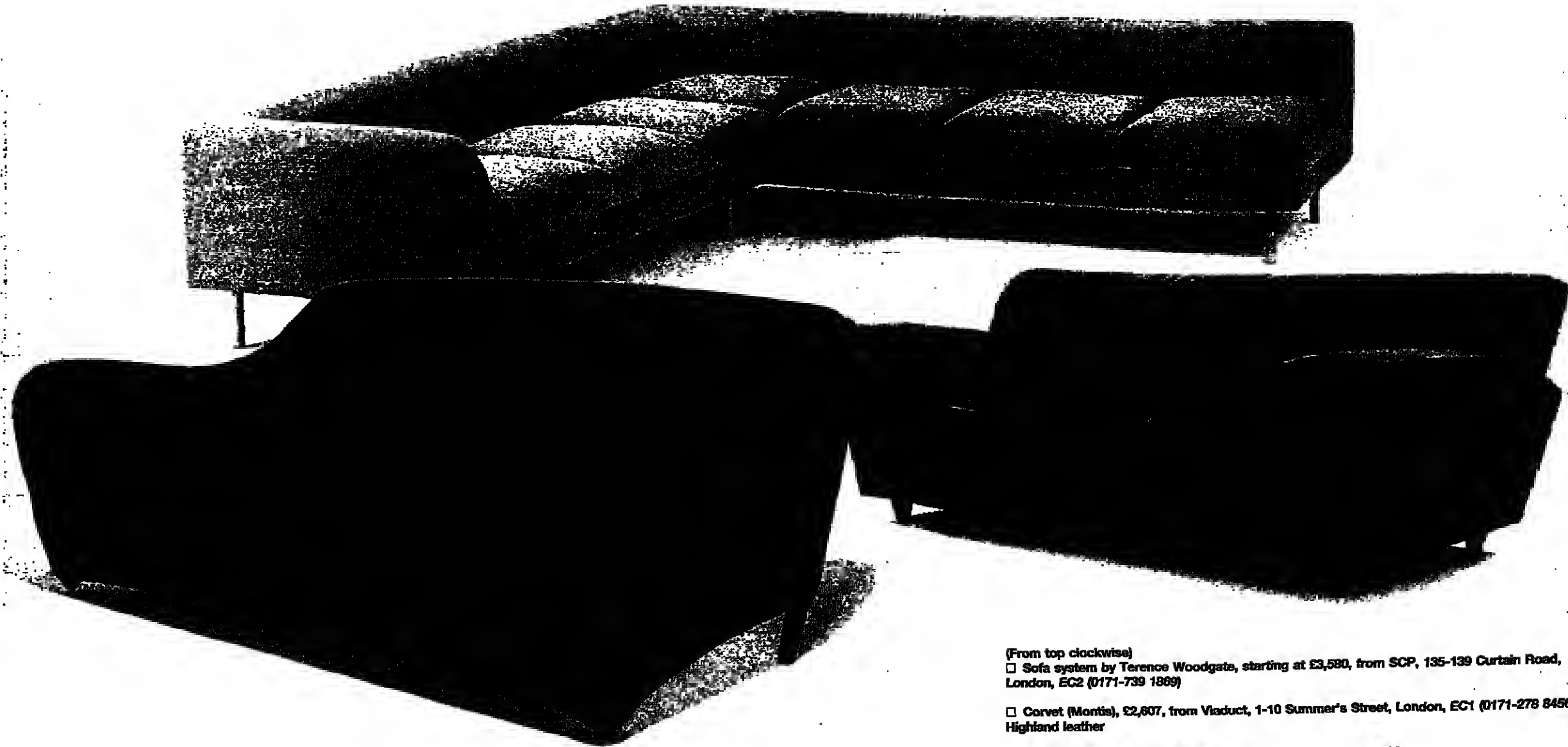
Discover faraway destinations you've never dreamed of. BMW's in-car satellite navigation system pinpoints the car's position using a digitised CD-Rom road map. Then, using both audible and visual directions, it can guide you to thousands of destinations. BMW's satellite navigation, it's a great way to fly.

Available as an option on BMW 5 and 7 Series from £3,355 (inc). For full details of network coverage contact your local dealer. BMW Information: 0800 325800; <http://www.bmw.co.uk>

The Ultimate Driving Machine



How to Spend It



(From top clockwise)
 □ Sofa system by Terence Woodgate, starting at £3,580, from SCP, 135-139 Curtain Road, London, EC2 (0171-739 1809)

□ Corvet (Montis), £2,807, from Viaduct, 1-10 Summer's Street, London, EC1 (0171-278 8456), in Highland leather

□ Balzac three-seater by Matthew Hilton, from £2,127, from SCP

Oh, to settle on the perfect sofa

Not floppy or messy, boxy or heavy, not quite high back, not quite low. Helen Kirwan-Taylor goes in search of the ideal family seat.

It's a familiar story: you find the house, you hire the architect, as soon as the builders have left, you throw yourself wholeheartedly into the task of furnishing it. Inspired by the newness of it all, you decide to send the sofa you bought 10 years ago into early retirement and replace it with something different.

You buy a couple of decorating magazines, scribble a few phone numbers down and relax in the knowledge that choosing a sofa - like a car or a kitchen - is straightforward.

Wrong. Fifteen months after moving into a new family house with an open-plan kitchen/dining room/playroom we are still sofa-less.

After 12 months of painstaking discussions on the advantages and disadvantages of every conceivable make of sofa (this included a trip to Paris and endless Saturday shopping), we settled upon Jasper Morrison's Jai-pur from Christopher Farr, 212 Westbourne Grove, London, W11 (0171-732 5761).

Our criteria was simple enough. The perfect sofa had to be modern, it had to be comfortable, it couldn't be floppy or messy, it had to withstand two young children and their friends, it couldn't be heavy or boxy and, most important, it had to look good. Our Jasper Morrison seemed to fulfil most of the criteria. What's more, we could have the model directly from the

showroom instead of the usual six-to-eight week wait.

We brought the whole family to Westbourne Grove for a trial sitting before any cheques were exchanged. My husband was a bit sceptical but having somewhere to sit at this point was far more important than whether or not the sofa worked with the Siematic kitchen or the new dining room table.

Two days later our Jasper Morrison arrived. My children immediately inaugurated it by driving their tractors across its narrow back. The wooden legs exactly matched the colour of the maple kitchen. The vibrant blue linen cover gleamed in the sunlight. My husband could finally sit on some-

thing other than the floor.

But here was the catch: you could sit comfortably or perch elegantly with a glass of white wine, but if you wanted to relax - flop to watch TV or read the newspapers - you had to go to the bedroom. Our sofa was like a designer dress - the moment you get home you slip into something more comfortable and hope no one shows up uninvited.

Christopher Farr agreed to take the sofa back. But the thought of having nothing to sit on for another year was more than my husband could bare, so the quest for the perfect sofa was immediately resumed.

The first stop was SCP in Shoreditch. Proprietor Sheridan Coakley, whose com-

pany manufactures sofas by Matthew Hilton and Terence Woodgate, says that when it comes to sofas, ergonomics go out the window. "In England," says Coakley, "we don't want sculptural pieces which may be fine for perching and sipping tea but just aren't comfortable. The furniture designer Gerrit Dietveld said it back in 1910. 'Sitting is an active occupation. If you want to relax, lie down'."

Matthew Hilton's three-seater Balzac sofa is on the definite shortlist. Built along the same lines as the more traditional (and ubiquitous) George Smiths and George Sherlocks, with a beech frame and foam padding and conventional springs, it has a distinctly modern shape.

"It's very difficult to design a sofa because everyone is different," says Hilton. "The English want to lounge around. The Spanish have shorter legs. Some like high backs, some like low backs. You have to take all that into consideration and you have to make it look good."

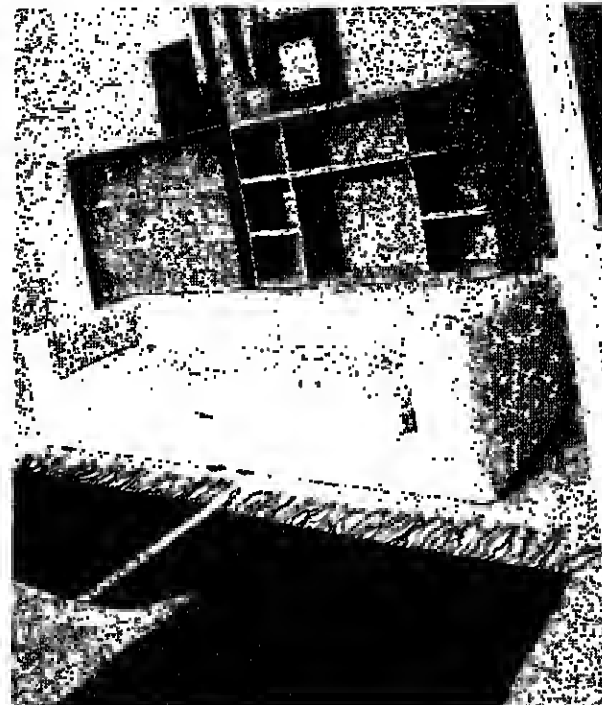
Comfort is important, says Hilton. "It's not designing if it's not comfortable." Hilton's new Orwell sofa (by SCP) is also a possibility. Its oval shape - reminiscent of something out of *Six Feet Under* - makes it attractive from any angle. It also slopes less than the Balzac which, at 26 degrees (most sofas are 15-17), is practically scraping the floor. My kids would love it.

Another option is Terence Woodgate's new modular Sofa system, also produced by SCP. Coakley says it was originally designed for contract use but was such a hit with the public that Woodgate was asked to rework it for the residential market. The L-shaped system consists of two chaise longues and several smaller pieces, which can be moved around to suit anyone's needs. Like the Balzac, it can easily accommodate most of the household at once.

Woodgate's definition of a sofa as "a bed in the living room" had particular appeal to the 6ft 5in architect Alfred Munkenbeck, who has commissioned one for his new house. This is the ultimate seal of approval. After trying unsuccessfully to design a sofa on three occasions, Munkenbeck finally threw in the towel and bought one.

The *Metric Architect's Handbook* may devote a whole chapter to anthropometrics (the size of the human body and how it relates to your house), but architects notoriously fail when it comes to furniture. "Architecture is very exact," says Munkenbeck, "furniture design on the other hand is all about trial and error."

"The only way to make a perfect sofa is to keep making prototypes over and over again until it works."



Young couples: the Cuba System by Rudolfo Dordoni, from £2,500

"The perfect sofa," says James Mair of Viaduct, "welcomes one home but doesn't dwarf the room. It should have a slight curve so if three people are having a conversation it doesn't feel like you're sitting on a park bench. It should have a certain amount of built-in squishiness."

His shortlist would include the Corvet by the Dutch company Montis (it feels like the back seat of an American car), the Royalton by Philippe Starck (too high, it would give my kids vertigo), and the Harry by the excellent Italian manufacturer B & B. The latter is only available by catalogue.

For many the idea of buying an untried commodity seems pure folly. The Jasper Morrisons, it transpires, were made in Italy and the Italians apparently watch television with their feet touching the ground. The famous extra-large Eileen Grey sofa, which I went to see at Aram Design, 3 Kean Street, London, WC2 (0171-240 3933), certainly wins the comfort vote but I found it too bulky and heavy. It has a certain masculine quality which is, I believe, why it appeals to so many architects.

The Cuba Sofa by Rudolfo Dordoni for Cappellini (also from Christopher Farr) is the fashionable set's favourite accessory. Described as a "young couple's sofa", it would look perfect in a loft or a Milanese flat. How it would fare in a room full of children with marmite on their fingers, is another question. Aesthetically, it certainly gets my vote, but my husband gave it a flat no. It is to Sofa what Armani is to a suit: something to take out on special occasions.

I returned to New King's Road for one last look, bypassing Conran's shop (whose sofas I have reclined on more times than I care to

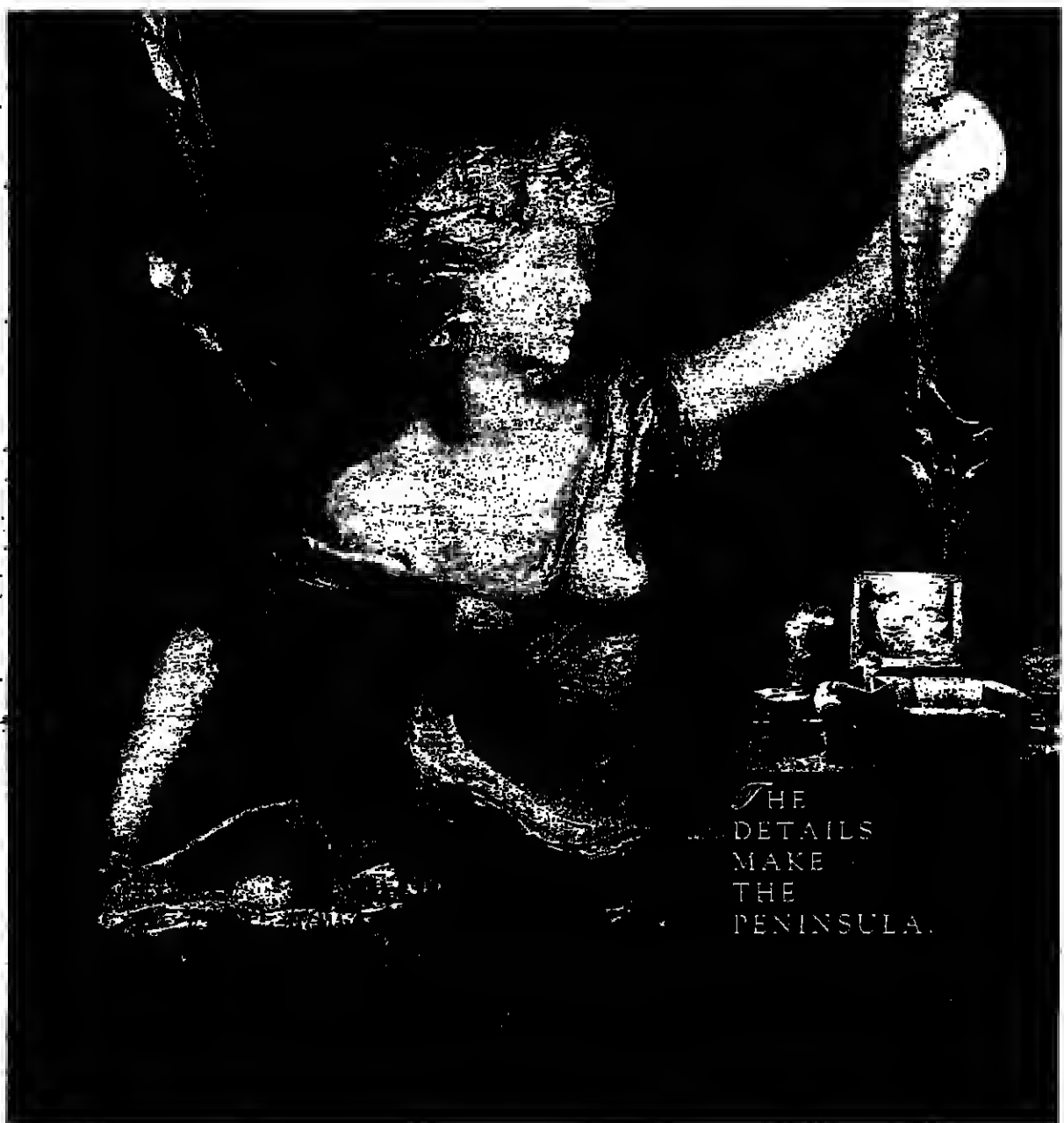
Road, London, SW6 tel: 0171-736 3955), where a courteous man immediately produced a catalogue and lead me to the famous 8ft, three-seater. It is comfortable, I admit, and looks reasonably modern. If it weren't for the fact that every home I have visited in the past eight years has one in the drawing room, I might even have considered it.

Munkenbeck has described a study on sofas in an architectural review. Of the time spent on a sofa, apparently 90 per cent of it is in a horizontal position. Armrests were solely designed with the intention of supporting one, maybe two heads and two, maybe four feet.

"Every night we end up laying on the sofa with our heads resting on the armrest and a crick in our necks," says Woodgate. "For me, a sofa is a big horizontal space, a bed really with certain concessions."

With that in mind I have decided that the perfect sofa is the "monster" Mondo as we have nicknamed it - the giant 4ft deep elephant of a sofa by Paola Navona for Mondo. James Mair who works with Cappellini at Christopher Farr (which makes Mondo) describes it as "great if you like lying down".

And, as it happens, not one single person in Britain owns one. Yet.



THE PENINSULA
NEW YORK

Fifth Avenue at 55th St., New York, NY 10019, U.S.A. Tel: (1-212) 247 2200 Fax: (1-212) 903 3949
 The Peninsula Hong Kong • Manila • New York • Beverly Hills • Quail Lodge Resort & Golf Club Carmel • The Palace Hotel Beijing • The Kwaiwong Hotel Hong Kong

E-mail: pen@peninsula.com Website: http://www.peninsula.com CONTACT YOUR TRAVEL PROFESSIONAL

Irish Sale



Walter Frederick Osborne, R.H.A. (1859-1903),
The Lintulder, oil on canvas, 14 1/2 x 11 in. (36.8 x 28 cm.).
 Estimate: £50,000-70,000

London, 21 May 1997

VIEWING:

18 May 2.00 p.m. - 5.00 p.m.
 19 May 9.00 a.m. - 4.30 p.m.
 20 May 9.00 a.m. - 8.00 p.m.

ENQUIRIES: Jonathan Horwich on (0171) 389 2682

CATALOGUES: (0171) 389 2820

CHRISTIE'S

8 King Street, St. James's London SW1Y 6QT
 Tel: (0171) 839 9060 Fax: (0171) 389 2686
 Internet: http://www.christies.com

HOW TO SPEND IT

Fashion

Hothouse prints and feminine frills

Flowers and ruffles are in this summer, finds the suitably attired Vanessa Friedman

This summer a woman's fancy will turn to frills — that, anyway, would be the conclusion of anyone who has opened a style magazine recently.

This is the season of "the new femininity" proclaim the fashion flock, extolling the virtues of chiffon-based transparency and advising their readers to go forth and purchase separates with hothouse prints, dresses that caress the body and call up images of garden parties and good manners.

So they say, but do they follow suit? Decidedly not. At this spring's shows there was not a flounce or flower in the audience, and all was minimalist black and navy.

"Our job is to communicate the message, not live it," says a fashion-writer friend. "We are merely the medium."

As an unreconstructed member of the black pack, I, for one, have recently been feeling slight twinges of hypocrisy. After all, if Marshall McLuhan was right, and the medium is the message, it seems wrong to preach sartorial femininity without understanding exactly what that entails. Thus, to write about flowers being in, I decided I should find out what it's like to be in flowers. I knew I would need to start slow.

"Go to Elsbeth Gibson," a friend at Vogue magazine advised. "check out the wrap dress; everyone here has one." Said wrap dress, a mid-calf-length chiffon robe worn over a slip and finished with a tiny ruffle (£349), comes in black, navy and cream and is a kind of gateway to the land of flowers: it is simple and elegant with that frivolous edge.

"I was tired of all the tailoring," says Gibson, 33, who trained with Zandra Rhodes. Her spring collection also includes A-line skirts and slip dresses in silk shantung with floral embroidery (£148 and £230 respectively). "I wanted something feminine but not girly."

"Girly" was not the word that came out of my black-clad host's mouth when I wore the navy wrap dress to

a dinner in Spitalfields, in London. Rather *soignée* was the verdict. The enticing way the dress billowed out every time I walked down the stairs made me feel kind of 1930s-movie-starish. Also, I was among the few guests not conscripted into the washing-up. There is something to be said, I thought, for the power of the frill.

Emboldened, I decided to go further — to Matthew Williamson to be exact. Williamson, 25, showed his first small collection last season and his separates were immediately seized upon as a kind of embodiment of the fashion zeitgeist. Particularly popular was his silvery organza skirt, silk-lined and dotted with clusters of small silver beads (£220), and tulle shirt, embroidered with a virtual nosegay and finished by tiny pearl buttons (special order £1,000).

"The thing about frills is that you need to be careful not to overdo it," Williamson says. "Wear the skirt with a simple cardigan, and the shirt with just a camisole and plain skirt. The fabric is embellishment enough." Believing that designer knows best, I went to a gathering in the City in a simple top and the skirt. The outfit had an astonishing and immediate effect on the pin-striped bankers around me.

Can I touch it?" some asked, mesmerised by the shimmering overlay. "Can we get you some white wine?" others asked, refilling my glass at every available opportunity, assuming that frilly clothes and Chardonnay go together. The same evening, however, I discovered that fairy-tale clothing does not belong at late-night club culture parties. I was attending a book launch held in a pub basement and felt a decided need to keep my black coat on.

Keen to see how far the message of extreme femininity could take me, I turned to what is perhaps the ultimate all-in-one example of the spring look — Clements Ribeiro's riotous floral wrap dress in chiffon with widely ruffled cap sleeves and neck (£211). The setting this time

was The Avenue, the St James's eatery, where the clientele are astutely suited professionals.

The result — lots of attention from our waiter, and stares from the other diners, ranging from the appreciative to the curious.

Although I felt a little incongruous, I admit to also feeling pretty. In future, I might opt for the luxuriously fringed, posy-embroidered shawl (to order; price on application), or a version of the dress in a skirt (£403).

There are many reasons for the resurgence of frills — reaction against the past, the trickle-down effect of John Galiano's success, the popularity of all that is British, which in style terms translates partially as strawberries and cream attire. But frills are also successful with the public because they emit a feel-good feeling.

"All that understatement became very mainstream

and boring," says Ignacio Ribeiro. "It didn't seem to match today's upbeat mood. These clothes are a little frivolous, a little flamboyant; they lift the spirits and make you want to have fun."

Next season, say the fashion press, we will see a return to hard-edge tailoring. We may even revert to black. But for now, at least, we have the opportunity to peer at the world wearing ruffle-and-rose-printed garments.

■ *Elsbeth Gibson at Liberty, Regent Street, London W1; Tokio, 309 Brompton Road, London SW3; or to order (0171-561 0773). Matthew Williamson at A La Mode, 36 Hans Crescent, London SW1; Brown's, 23-27 South Molton Street, London W1; or to order (0171-831 1506). Clements Ribeiro at A La Mode, Liberty, Selfridges, Oxford Street, London W1; Brown's. Tel: 0171-403 7719 for other stockists.*



From left: Clements Ribeiro's floral wrap dress, £211; Elsbeth Gibson's black chiffon wrap dress, £349; Matthew Williamson's embroidered tulle shirt, £1,000, and skirt, £220

Illustration: Francesca Colomb

More in tune than in time

The Swiss are pioneers of exciting musical works, Arnie Wilson is told

Orson Welles was less than complimentary about the Swiss in the film *The Third Man*: "500 years of democracy and peace, and what did they produce? The cuckoo clock!" This wisecrack has haunted the Swiss ever since.

"But he got it all wrong. The Swiss didn't invent the cuckoo clock," said Heidi Reisz, on behalf of her country at London's Swiss Centre. "It was the Germans. The Swiss have pioneered much more exciting things — like the musical box, watches of high quality and *oiseaux chantants*."

The last of these are animated imitation birds, powered by a double-action pump and bellows, organ pipes and clockwork. They sing an almost perfect replica song while opening their beaks, turning their heads and flapping their tails. It's amazing anyone managed to invent them at all.

But although 18th century Swiss craftsmen take the credit for the invention, it took a Parisian watchmaker, Blaise Bontems, to perfect the principle of *oiseaux chantants*.

For years he would disappear into the woods or the countryside before dawn each day to write down the

brilliant cadenzas of the nightingale, the sad lilt of the blackbird or staccato warble of a chaffinch.

Back in his workshop in the rue de Cléry, in Paris, he laboriously adjusted a series of rotating cylinders until he obtained such a brilliant imitation song that it was sometimes virtually impossible to tell it from the original.

He also noticed that the most beautiful birds were not always the best singers. The artificial bird, however, can be given the best of everything: the glorious trills of the nightingale can spout from the beak of New Guinea's sumptuous bird of paradise or the exotic South American tanager.

Reisz invited me to Sainte-Croix, a small town less than an hour from Geneva, close to the French border in the Jura mountains of Vaud, to admire *oiseaux chantants*, both antique and new.

For Sainte-Croix-L'Auberson is the centre of the musical box and *oiseaux chantants* universe. Switzerland has recently been celebrating 200 years of musical box manufacture and Sainte-Croix claims to be the only place in the world still making singing bird boxes.

The villagers of Sainte-Croix, who have suffered from a decline in agricul-

ture, the mechanisation of lace-making and more than one crisis in the watch-making industry, rely on musical boxes and *oiseaux chantants* more than milking cows. Bontems was involved in their manufacture in Paris from 1848, but in 1960, Reuge SA, the biggest manufacturer of musical boxes in Sainte-Croix, took over their production.

Until the 1950s, Bontems acquired stuffed birds from Japan, Brazil, Mexico and the Canary Islands. Today such exotic birds are protected, and the Sainte-Croix workshops and the bundles of spectacularly beautiful — and expensive — birds are dwindling. Once these supplies are exhausted, plumage will have to be faked using natural feathers of more common birds and dying them.

Another alternative to real feathers is to encrust the bird with precious stones instead of plumage. The appeal of *oiseaux chantants* is worldwide, but prices are high. With a gold leaf base in the cage, they cost from SF1,000 (£420) to SF10,000 (£4,000). Collectors have included the last Emperor of China, the Duke of Windsor and the actress Ingrid Bergman.

But Bontems's biggest sale, at the turn of the cen-

tury, came from the Rockefeller family, which purchased 100 — worth 6,000 gold francs — for guests at a dinner party.

Reuge SA claims to produce the smallest musical box movement made — some as tiny as those used in a wristwatch. The company also makes large boxes capable of playing a selection of tunes with interchangeable cylinders. Craftsmen who work on them wear white gloves to prevent acid perspiration from their palms affecting the mechanism.

Some of the manufacturing processes must be carried out in factories, but a surprising amount can be done — and done better — in the home. A good musical box "planner", for example, is capable of placing 1,000 pins an hour if left to their own devices.

And a skilled tuner with a good musical ear can file and tune an 18-tooth comb to perfection in just three minutes. The tuner sometimes links the teeth of the lower tones to the teeth of his own upper jaw with a thin twig so that he can feel the vibrations in the bones of his skull and so tune the box more accurately.

■ *Arnie Wilson flew to Switzerland with Swissair, 1 Swiss Court, London W1V 4BJ. Tel: 0171-434 7300.*

1947 1997



THE ROYAL PAGEANT OF THE HORSE

Queen Victoria Review Ground,

Windsor Great Park Saturday 5th July 1997

Sponsored by

Asprey
LONDON

In the presence of Her Majesty The Queen and His Royal Highness The Duke of Edinburgh to Celebrate Their Golden Wedding Anniversary

The Equestrian Spectacle of the Century features over

1,000 horses 9.30pm - 11.00pm

The Royal Pageant of The Horse Tickets £40, £50 & £60

Hospitality packages available from £300

Credit Card Hotline 0171 420 0000 (24hr. Credit Card booking fee)

Box Office and Enquiries 0171 420 0000 (Mon - Fri 10-5 only. No booking fee)

Postal applications and cheques payable to The Royal Pageant of The Horse

PO Box 1012, Northampton NN1 3RT

PROPERTY

The river Thames is one of London's glories – and its biggest missed opportunity. The day before Britain's general election, I went by boat from Greenwich, to see the Millennium Exhibition site from the water, and then travel upriver through Docklands to Waterloo Bridge.

During the summer I shall continue the journey in stages as far as Thameshead, the river's source, doing as much as possible by boat – provided there is enough water in the river.

Without the river, the Romans would never have founded the city as capital of the province and centre of a radiating road system. They chose the lowest point on the river that they could put a bridge across – London Bridge.

Over the succeeding centuries the Thames was the main road through town, and the principal port for trading with mainland Europe (as the Romans planned) and, in modern times, with the British Empire, while traders from all over the world settled near the river.

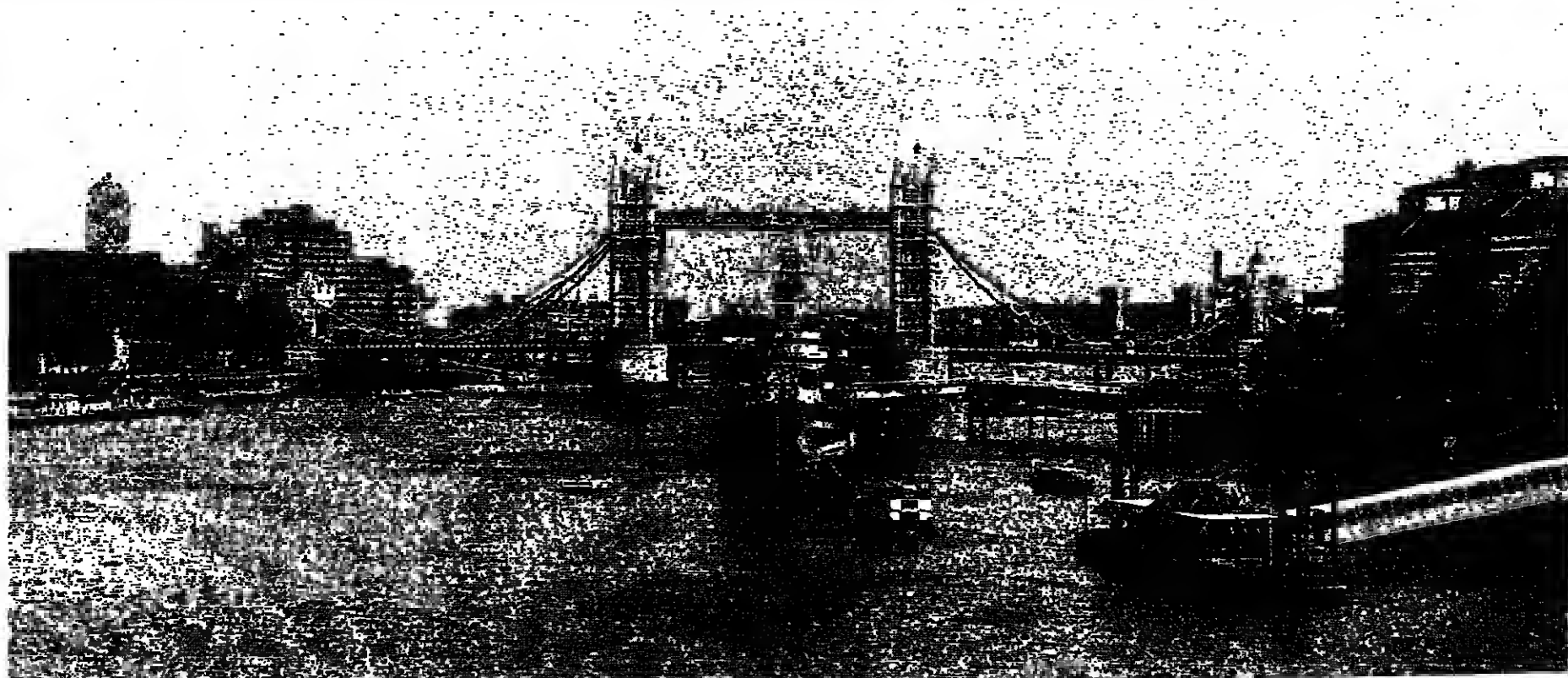
It was also a rich source of fish, until sewage pollution drove them away. Some have returned, but the days of salmon in the Thames are gone.

Now, its lower reaches in Docklands are filling up fast with residential schemes that are no pride for London, and the great river is no longer a passenger highway for Londoners. The Thames deserves better.

London's past as a commercial and industrial centre pervades the river but, other than offices, there is little active commerce – to the detriment of Docklands life, suggests Russell Taylor of Savills who came with me and pointed out the developments.

On the north bank only one wharf, belonging to Seacorn, works. The south side is a shade better. A Finnish ship was unloading bales of paper. Greenwich has a sugar refinery, and a ship was spewing sand and gravel on to the quay beside the exhibition site. Deptford Creek may become a basin for cruise ships.

But the gas works and power stations are obsolete, and their jetties for unload-



Tower Bridge: fairytale entrance to central London. But new projects downstream are a sad epitaph to the richness of the Thames's history

Brandon Carr

The Thames deserves better

Gerald Cadogan sets the scene for a focus on London's Docklands, the City and surrounding areas, which continues on following pages – and next week. But he is disappointed by much of what he sees on a river-boat trip from Greenwich to Waterloo Bridge

to run from Hampstead to Blackfriars) came in.

Grey and yellow predominate. The river is a broad grey horizon until Tower Bridge, where the old Pool of London was a grey lake at high tide. To see how wide the river becomes, take the surprisingly long walk through the tunnel between Greenwich and Island Gardens (a Docklands Light Railway stop).

The yellow is the London stock brick used everywhere, in the new schemes as much as the old wharves. Costlier stone buildings only start at Tower Bridge, where the river narrows.

The bridge, with its Tower of London-like architecture, is a fairytale entrance to the excitement and wealth of central London.

Between Southwark and Wapping the Thames was

also a place for enforcing the law. "Entry to the traitors gate" it says on the river wall below the Tower, after execution, their heads were stuck on the spikes of London Bridge. Southwark had the Clink prison, and sailor criminals (such as Captain Kidd) hung in chains at Execution Dock in Wapping, to be washed three times as the tide came up. Today the river police and their nippy launches are still based at Wapping.

The new projects in Docklands are a sad epitaph to the richness of the Thames's history. They make a jumbled mish-mash of 1980s buildings, competing in a banal me-too style against their neighbours.

Pediments, portholes and mixed surface materials reflect self-indulgent eclecticism pretending

to be the luxury of choice.

Seen from the river, the new-build residential schemes are a huge disappointment – I realise that from inside them, the view may be quite different – and above no evidence of large-scale planning to create a harmonious whole along London's river.

An exception is Canary Wharf, but that is all offices – and one or two single schemes stand out. The vision required to try to relate the schemes to each other is not apparent, however.

"It needed brave thinking," says historian Mark Whittow, who has lived at The Pierhead in Wapping, a handsome Georgian terrace, since the early 1980s. "Docklands is a spectacularly wasted opportunity."

A big part of the trouble,

he thinks, has been "the tendency to build on too small a scale". There is space aplenty, but it needs a big approach. Hence the success of Canary Wharf, and the popularity of the big and bold Victorian wharves.

The dull but aggressive developers' style has run wild, largely because there was no overall public authority for London to ensure visual standards matched the majesty of the river.

So where can one live on the river and not in a new-build scheme? Viewed from the water, the best places are the few 18th and 19th century houses that survive, some of them now turned into flats.

The alternative is a flat in one of the converted warehouses. In the spirit of this old river, they are buildings

of power and purpose.

But the river seems nowadays short of purpose. Barges still ride the tides, mostly carrying rubbish, or debris from excavating the extension to the Jubilee Line, or construction materials. But almost all the cargo traffic is gone, and the river is no longer the passenger highway for Londoners that it was for centuries.

The only passenger boats are for visitors, or holding parties. While gridlock thrives in the streets of London, its great river is a neglected resource, and attempts to introduce water-houses have failed. If they had worked, and Londoners were using the Thames regularly, the public might have realised in time what banal new buildings make up the facade of London on the S-bend formed by the Isle of Dogs.

The Millennium Exhibition will need waterhouses. Afterwards, they must carry on, at a price to match the buses and tube, and let Londoners use their own great river as fully as it deserves.

Room with a view

A trip on a river boat, armed with a street map, is a wise and enjoyable way to start the process of buying or renting Thameside property. For information on boats, call 0891-505471 – a premium line.

You should then talk to a Docklands estate agent, such as Savills (0171-488 9586), or Cluttons (0171-407 8669), who can point out what is available.

A view of the river is as important for financial reasons as it is for pleasure: the average price of a flat with a view rose by about 55 per cent between December 1992 and December 1996, according to Savills. This compares with 40 per cent for a flat with a view inland.

Dundee Wharf in Limehouse is an interesting scheme, designed by architects CZWG with imitation cranes. The last phase of five townhouses came on sale last month priced at £230,000 – and are already all under offer. But three apartments are still available. The agents are Savills and Alan Selby (0171-613 3055).

Knight Frank (0171-480 6848) offers several flats for resale in converted warehouses, such as one on the third floor of St John's Wharf, which is next to the river police station. It overlooks the river and has cast-iron columns and beams to show its commercial roots. Price is £395,000.

Or buy a whole house from this agent in The Pierhead, the 1811 pair of terraces built for the officers of the London Dock Company. Number six looks west over the river and gardens. With many of its Georgian features intact, it costs £645,000.

water garden

NARROW STREET, DOCKLANDS, LONDON E14

Potentially - the best location in London.

The Water Garden is located on Narrow Street, one of Limehouse's most historic and picturesque thoroughfares. The development is set between The River Thames and Limehouse Basin Marina. Canary Wharf is approximately 10 minutes' walk away via a new riverside path. Regular DLR services of approximately 10 minutes travelling time run into Bank from nearby Limehouse station.



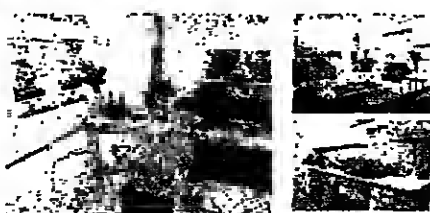
Probably - the finest architecture.



Designed by award-winning architect Ian Ritchie, The Water Garden is an architectural masterpiece arranged around a hidden, private courtyard with a water garden. A study in stylish, stripped classicism, it is a truly unique development, the design quality of which is seldom seen on the London market.

Undeniably - outstanding value.

A wide variety of apartments from studios to large, three bedroom split-level penthouses. Each features a luxury, streamlined specification including fully fitted kitchens, and classic bathrooms. Most apartments have balconies or terraces.



51 Sold - Only 7 Available! Large, luxury two bedroom apartments with terraces overlooking the water garden from only £135,000

For full details telephone: 0171 613 3055

BALLYMORE
http://www.ballymore.co.uk



CSLP
ANALYST PARTNERS
PROPERTY SERVICES

Ballymore. Winners of two Evening Standard New Homes Awards 1997:
Best New Apartment / Highly Commended. Best New Conversion / Highly Commended.

THIS WEEK PROPERTY APPEARS ON PAGES XII, XIII, XIV, XV
AND ALSO IN SECTION 1 ON PAGE 19

COSTA OEL SOL PROPERTIES
Marbella Offices. For information & Price list ring 0181 903 3761 anytime. Fax 3599

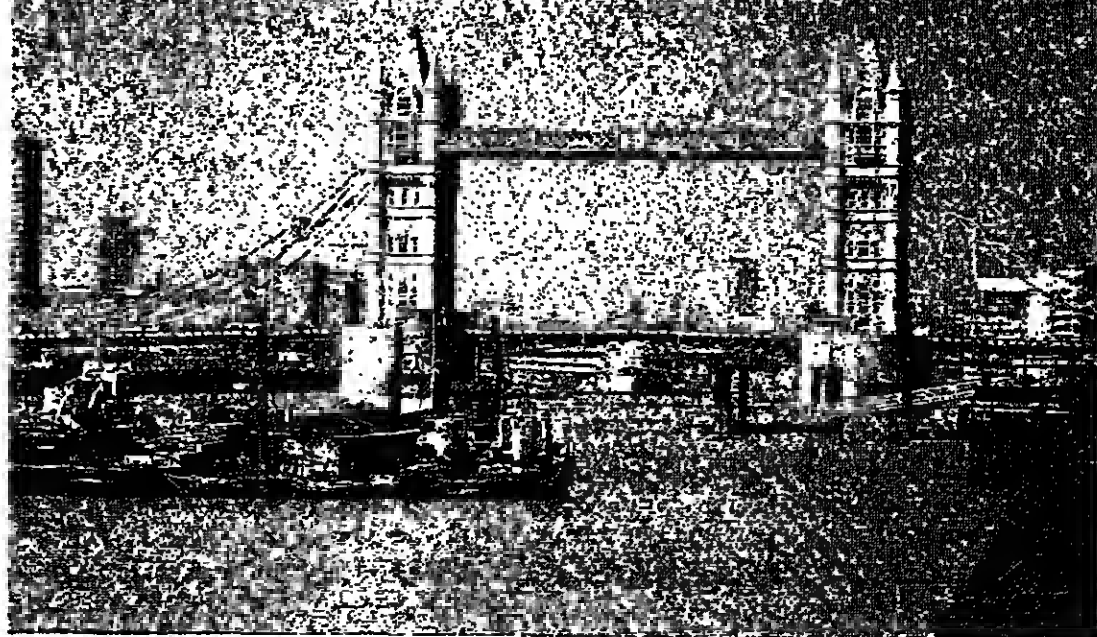
FRENCH HOME - Dordogne Gorge - Southern France, beside a large lake. 2-5 bedroom houses from £75,000. Derek Holders 0181 890 2620

DOROGNE - 300 yr old farmhouse in 40 acres. Large barn & swimming pool. Beautifully restored. 5 bedrooms, 3 bathrooms, lounge, large kitchen/dining room. £15,000 pa. established income. Price: 1,500,000 FF Tel: 01222 521348

WASHINGTON, DC Sales, Rentals and Property Management. Thomas C. Gardner/Continental Properties, Ltd. Tel: 1-800-332-1544 Fax: 1-202-462-3055 e-mail: cproperties@men.com

FRENCH PROPERTY NEWS Monthly old, new & old properties, legal advice etc. Ask for your FREE copy now. Tel: 081 947 1094

Make a Capital investment



It's not only the most dramatically beautiful vista in London. It's also the view from your private balcony at Capital Wharf – a stunning outlook matched only by the outstanding luxury of your apartment.

Whether as a main or second home, or as an investment, there's no finer outlook in London. 1, 2 and 3 bedroom apartments and duplex penthouses, all with views of the Thames and Tower Bridge, with prices from £220,000 to £735,000.

07000 NUHOME
6 8 4 6 6 3

CAPITAL
LONDON E1
The best life-style in London

DTZ Debenham Thorpe Residential

SAVILLS

Berkeley HOMES
QUALITY TO APPRECIATE

مركز المنهج

PROPERTY

Many lights went out in the City of London during the office recession of the early 1990s. When they came back on, some buildings had changed from offices into flats.

And the market cannot get enough of them. Eavesdropping on the mobile phone calls of one of the City's most active residential property dealers reveals the pace at which they are selling.

One call is from a group of French investors wanting to buy up 20 one-bedroom flats in the building we have just walked past. It has not even been sold to the developer yet. Five minutes earlier the developer's land buyer had been on the line negotiating a price. Instantly, he has 20 potential sales in the bag.

This is the way buildings are changing hands in the City. Whether the investors are from France or Ireland, or Singapore or Hong Kong they are buying before the scaffolding has gone up. Their main interest is in one-bedroom flats for the corporate tenant market.

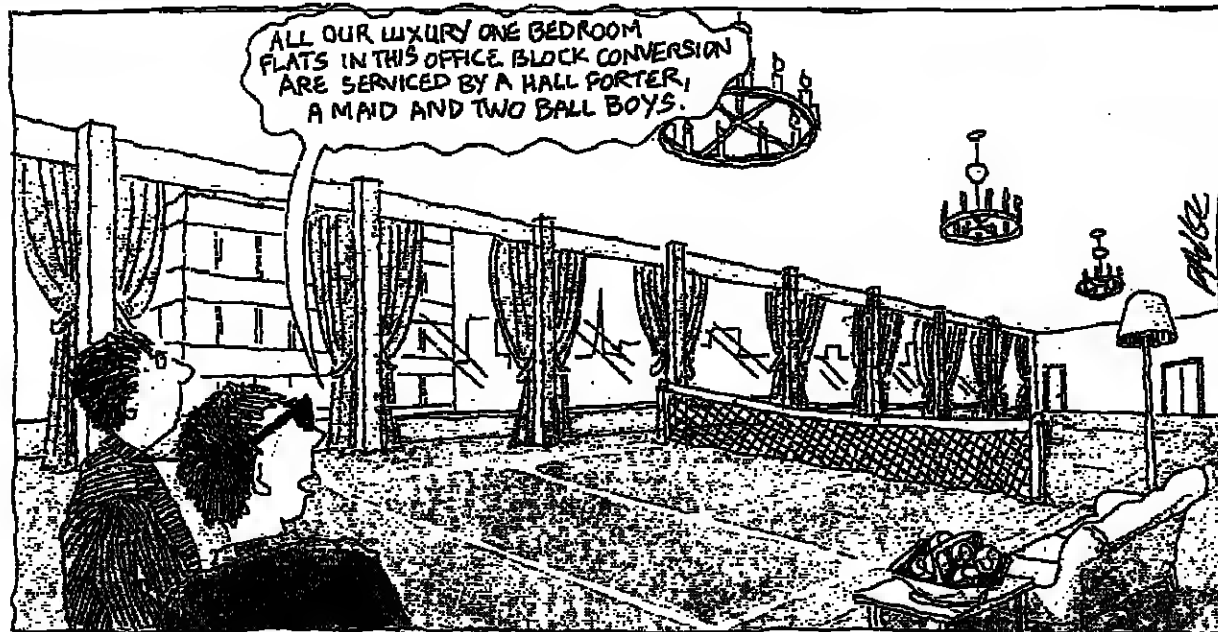
There are almost certainly UK investors and City workers who would be interested in buying these properties but so far, they have not had a look-in.

This low level of domestic participation in the market means it is difficult to tell how the City compares with its competitors in terms of price and attractiveness.

I take as my guide Nick Underhill of Hamptons, the only major estate agency to set up an office in the City. Currently it only handles rentals, but is looking for a site from which to handle sales as well.

Savills, which is extremely active in the development market, does not have a dedicated office but has just appointed one person to operate on the residential side from its commercial office in the City.

One of Nick Underhill's frequent callers is Berkeley Homes. Under its own banner and that of its London subsidiary, St George, it has been one of the most active developers in the City of London. Its forte is converting small period office buildings into flats - the key expertise, given that oppor-



Lighting up the City

When the office lights go out for good, the developers move in and turn the block into one-bedroom flats. Anne Spackman reports

tunities for new residential building are almost nil.

Berkeley has just bought a large building on Farringdon Road with elaborate brickwork and architectural detail. It has another new site overlooking the Tower of London on Trinity Square, with some of the best views the City can offer.

The key to these sites and many others is that the planners have allowed the ground floor to be turned into shops or restaurants. The space above is unsuited to modern commercial needs, although it might be usable by a professional business such as a law firm. But they are unlikely to know it was even available until the house-builder's flag went up.

This year, prices in the City have pushed through the £300 a square foot barrier - at which the average one-bedroom flat costs around £180,000. For the prime river development at Norfolk House, Regalian achieved more than £400 a square foot.

That price is comparable with new developments in established locations, such as Chelsea and Hampstead - but it only applies to one

particular block in the City.

Elsewhere on the City fringes, where developers are trying to charge those prices to domestic buyers, the flats are not selling so swiftly. At the expensive Lexington building on City Road, just north of the official City boundary, the developer Metropolis is hav-

Investors are buying before the scaffolding has even gone up

ing to be patient to get its money.

Metropolis has just bought a former school in Clerkenwell for a price which assumes final sales values of £300 a square foot. There is clearly confidence that the market which has already seen prices increase by around 20 per cent this year, is set to go on rising.

Dominic Grace of Savills thinks buyers will pay high prices for quality develop-

ments wherever they happen to be. "The new breed of buyer is more fussy about the product than about the area," he says. "They are more willing to go and have a look. These are people who haven't arrived home until they go through the security gate. If they like what they see, they'll buy."

In common with many others, he believes there are parts of the City which will never recover in commercial terms. It may take their freeholders a long time to recognise it, but ultimately they will change into residential use.

Hamptons estimates that around 400 new homes are due for completion every six months for at least the next two years. The key place to watch is this area around Ludgate Hill and Carter Lane, to the south and west of St Paul's Cathedral. Hamptons sees plenty of customers for what will inevitably be rental homes.

But is all this a flash in the pan or a permanent restructuring of the City? One respected opinion which has shifted on the City's residential prospects is that of London Residential Research.

In its latest residential development survey, it admits: "Last year we said 'there is some fanciful comment in the press that the City of London is once again becoming a significant residential location. It is not and nor will it'. We were wrong."

If the City continues to be a hot location for investors and corporate tenants, what will be the knock-on effect? It is unlikely to impact on established areas such as Kensington, which, with its green squares and period architecture, is still the most attractive location for senior UK and overseas bankers.

But the plethora of new developments down-river, between Tower Bridge and the Isle of Dogs, may notice the change. These buildings have been heavily pre-sold in south-east Asia to investor landlords, who may find gaps between tenancies increasing and their rents decreasing every time a new apartment block is created in the City.

Residential Development in Central and Inner London 1997, by London Residential Research Limited, 10 Savile Row, London W1X 1AF; tel 0171-287 8444

On the Move / Gerald Cadogan

At home on the beach

The buyer of a Martello tower, built on the shingle on the East Sussex coast, need have no fear of the neighbours: its walls are between six and eight feet thick.

The tower is one of a chain of 74 built around 1806 on the beaches between Beachy Head and Dover as protection against French invasion. Essex and Suffolk had a second string of 29.

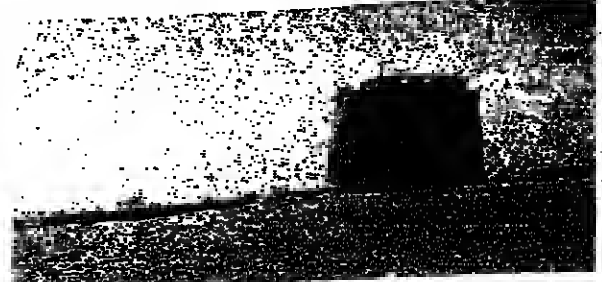
Martellos were named after a tower at Mortella on Corsica which had withstood the cannons of the Royal Navy. The towers are round, about 30ft high, and housed 24 men and an officer on three floors.

The tower for sale has the address: Martello Tower No.55, Normans Beach, Pevenssey. It is both a scheduled ancient monument and a listed building (grade II). It could be converted into a house, although it would be wise to make planning permission a condition of completing the purchase. The suggested price is £165,000 from Jackson-Stops (0171-589 4535).

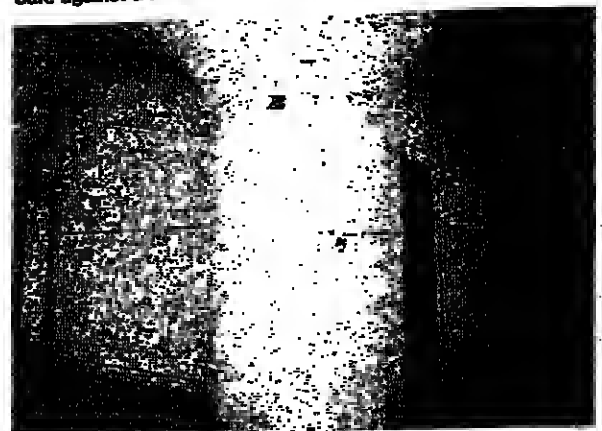
Tobacco money

A member of the Wills tobacco family built Rainbow at Torquay in Devon in the early 1930s. That makes it contemporary with the first modernist buildings in Britain, but it is far removed in style. Rainbow is a last gasp of Edwardianism influenced by the belle époque of France - look at its turrets with their copper caps and pinnacles.

It is also Edwardian in its opulence and quality of building, and cost the large sum for the time of £70,000. The foundations are 10ft deep and incorporated old tram-lines from Torquay. The outside walls are of local Stonycombe limestone, finished on site, and



Safe against a French invasion: Martello Tower No.55



Inside, the tower's walls are between six and eight feet thick

the hall and main stairs are of coral and marble brought from Djibouti.

Rainbow was in private occupation until 1977 when it became Bearn's auction rooms. Now Bearn's is moving to Exeter, and the house is for sale for any sensible purpose, which could include turning it back into one of Devon's grandest residences. Knight Frank (01392-433111) asks for offers by tender by June 20, and suggests a guide price of £750,000 for the house and 18 acres.



Rainbow at Torquay

Meditation room

Mentmore Towers, the country palace in Buckinghamshire designed by Sir Joseph Paxton (of the Crystal Palace) for Baron Meyer Amshel de Rothschild in 1850-55, does not have enough space for all the students of transcendental meditation. So the Maharishi Foundation, which has owned it since the 1970s, has put it on the market and is seeking larger premises.

Its wealth of decoration is staggering, from gilded French woodwork to imported Renaissance marble fireplaces. With a hall and state rooms to rival Versailles, about 50 bedrooms, including a bachelor wing for unmarried male guests, and 81 acres, Mentmore has a guide price of between £10m and £15m, through Savills (0171-499 8644).



REGALIAN

for quality & value

RIGHT ON THE CITY'S DOORSTEP

Choose from two superb locations, ideally situated for The City and for Canary Wharf. Both Atlantic Wharf and Premiere Place offer high quality specifications and a choice of imaginative styles and sizes. Atlantic Wharf offers a range of apartments, while at Premiere Place you can be one of the first to buy one of the 10 villas shortly to be marketed.



View from Phase II

ATLANTIC WHARF

The Highway, E1

One and two bedroom apartments and three bedroom penthouses with outstanding views of the River Thames. Completion due Summer 1998.

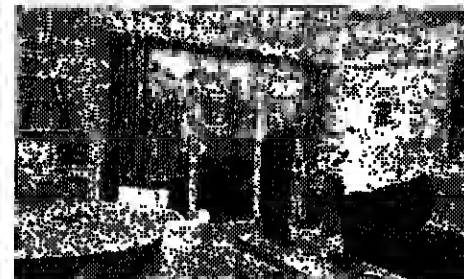
Prices from £153,000 to £229,000

Show Apartment Open Daily 11am to 6pm

SALES CENTRE

Tel: 0171 790 3553

Fax: 0171 791 1444



Interior of show apartment

PREMIERE PLACE

Garford Street, E14

Ten 3 bedroom semi detached villas within walking distance of Canary Wharf, with excellent road and rail links.

Price £195,000

Show Apartment Open Daily 11am to 6pm

SALES CENTRE

Tel: 0171 515 0510

COUNTRY PROPERTY

YOUR OWN COUNTRY LODGE BESIDE THE RIVER THAMES



The glorious riverside haven of the Harleyford Estate offers magnificent holiday lodges, an 18 hole, par 72 golf course and a marina in the seclusion and tranquillity of 280 acres of wooded parkland overlooking the Thames.

The reverse living lodge is a new concept, built of traditional Norwegian logs, designed to exploit the magnificent views of Harleyford looking across the Thames.

Now you can buy a luxurious holiday lodge within this beautiful Estate with an entitlement to golf membership and make a part of Harleyford's priceless heritage your own.

Prices start from £147,950

Sales office open daily from 10.00am to 5.00pm or call:

SAVILLS

01628 402309

Fax 01628 478247

Internet: <http://www.propertyfinder.co.uk/harleyford>

HARLEYFORD

Harleyford Leisure Enterprises Ltd., Harleyford Estate,

Harley Road, Marlow, Bucks SL7 2DX

LONDON PROPERTY



JUST A FEW SECONDS FROM LONDON'S HYDE PARK

A WORLD AWAY FROM OTHER APARTMENTS

Some new luxury apartments situated in the heart of Mayfair, each offering spacious 3 or 4 bedroom accommodation, most with balconies overlooking the park.

LONG LEASES FOR SALE

MICHAEL TIMS

and company

51 Charles Street, Berkeley Square, Mayfair, London W1X 7PA

0171-400 2233

Fax: 0171-400 2223

COUNTRY PROPERTY

GREAT FAMILY HOLIDAY LODGES

Luxury second homes at Huncombe Manor

on South Devon Cornwall border

OWN USE - INVESTMENT-CGT ROLLOVER

RE-INVESTMENT RELIEF

Huge discounts on end of phase three-bedroom lodges or massive OFF-PLAN SAVINGS on NEW four bedroom lodges.

All fully furnished and ready for 1997 season.

FULL MANAGEMENT: INDOOR & OUTDOOR

SWIMMING POOLS, TENNIS, BARS,

RESTAURANT, ENTERTAINMENT.

PRICES £39,950 TO £59,950

VERNON KNIGHT ASSOCIATES

TEL 01626 778988 FAX 01626 770595

More Property available in Section 1.

IRISH COUNTRY HOMES Personal nationwide home search service Tel: 00-353-1-2366661. Fr + 520

BRODIES

SOUTH WEST SCOTLAND KIRKCUDBRIGHTSHIRE

Castle Douglas 12 Miles



AN OUTSTANDING FAMILY HOUSE WITH DELIGHTFUL GARDENS AND GROUNDS AND PANORAMIC VIEWS OVER THE KEN VALLEY TO THE GALLOWAY HILLS

Drawing Room, Morning Room, Dining Room, Kitchen/Family Room with Aga, 2 Cloakrooms, Laundry, Office, 6 principal Bedrooms.

6 secondary Bedrooms, 3 Bathrooms, Oil Fired Heating, Charming range of 6 secondary outbuildings with outline planning consent for residential conversion. Tormod Garden, Walled Garden and Secret Garden.

Extensive grounds including three grass parks, native woodland and a private loch with wild brown trout.

ABOUT 36 ACRES (12.25 HA) IN ALL

15 Ayrton, Glasgow, Edinburgh EH1 1M1A

Telephone 0181 228 4411 Fax 0181 228 4411

SAVILLS

INTERNATIONAL PROPERTY CONSULTANTS



PERTSHIRE, 2,388 ha (5,900 acres)

A driven grouse moor with stalking and a profitable hill farm. Lodge, farmhouse and 2 cottages. 672 acres pasture, 4,791 acres hill and 177 acres woodland. A spectacular driven, hill partridge and pheasant shoot.

Offers over £1,800,000

Savills, Edinburgh: 0131 226 6961 Contact: Evelyn Bell

Fax: 0131 225 6824 e-mail: evelyn-bell@savills.co.uk

Savills Edinburgh Office: 11 Association Way, Edinburgh

مركز النجف

PROPERTY

Village life in the heart of the city

Cafés, corner shops but no cars are the key to modern urban living, finds Anne Spackman

In the streets of London's emerging central neighbourhoods of Clerkenwell, Finsbury and Bloomsbury, a contemporary version of village life is evolving. People shop on the corner. They meet in local cafés and bars. Many work primarily from home. These may be new neighbourhoods, but they are ones where people get to know their neighbours very quickly.

The key to this life is the absence of the car. Whether they are travelling to work or to the shops, residents measure journey times on foot. They pass through all the squares and alleyways the rest of us miss, as we sit impatiently waiting for the traffic lights to change or counting down the minutes until the tube train arrives.

Anthea Mynott has lived in Bloomsbury for two years. She summed it up like this: "There is no point in having a car here. We walk everywhere. I can go to the British Museum for lunch or take the dog to Regent's Park. This is an area where you say hello to people on the street."

"There are some wonderful little places like Woburn Walk, with its bow-fronted windows and St George's Gardens, where I'm some-

times the only person there. You feel privileged to know these areas."

What is striking about this stretch of London compared to other, newly colonised areas, is that the people who buy here live here. There are few of the investor landlords who dominate the City, the South Bank, and Narrow Street and the Isle of Dogs in the Docklands.

Though the tenants found elsewhere use shops and restaurants like anybody else, they are rarely committed to an area long-term. They may have another place to call home - either in the country or overseas. Their London flat is often a Monday-to-Friday base.

In Clerkenwell and its environs, things are different. The area attracts a particular type of buyer - the city lover. They tend to be very design conscious. Many work in the creative professions, particularly the growing design and architectural practices based in the area.

They have come to Clerkenwell partly for the contemporary living spaces being created in its former offices and factories. And the more they come, the more developers design homes to suit them.

Roger Black fits the mould perfectly. He is a developer who is also a buyer in his



Quite happy on her balcony: Sally Chew doesn't mind doing without a garden or a place to park the car

latest project, a period conversion in New North Street in Bloomsbury. An architect by training, he is using the fashionable practice of ORMS to create his high-spec contemporary style.

Before beginning work he consulted the council tenants in the neighbouring blocks about the external design. "I am going to live here, so they will be my neighbours too," he says.

One factor common to all those who move into these central areas is that they have no children at home. Many are young; some are divorced; many more have grown-up children and are moving into town from more family-friendly neighbourhoods.

Andy Brahm, who works in the travel industry, is typical of the young residents moving in to Clerkenwell. He is selling a house in Bat-

tersea and buying a loft in a Sapcote development in Leather Lane, a market street near the Gray's Inn Road.

He says: "It's an exciting time to be moving into the centre of London. I'm a great believer in city living. I have spent a lot of time in European cities where people live in the middle of town. Battersea is only 20 minutes out, but I wanted to be at the heart of things."

"In the new flat I will be 15 minutes walk from Covent Garden and the Barbican. There is a baker's up the road, an Italian deli around the corner and there are plenty of fruit shops in the market. It's also convenient for the airports and Waterloo - I travel a lot, so that's important."

He is buying his loft through Hurford Salvi Carr, the estate agent which domi-

nates this market. With its modern logo and office, it is designed to blend in with the local professional style.

David Salvi says most of his buyers are coming from areas such as Highgate and Islington and south-west London. "These are the same areas which the sellers are moving out to. People who bought here a few years ago and have done the loft bit are now going back to places like Richmond when they have children."

While Clerkenwell is mainly for the pre-children set, Bloomsbury and Finsbury, with their more traditional architecture and garden squares, are attracting a slightly older and very cultured buyer. Lawrence Mynott, who lives in Tavistock Place, says his local video shop must be one of the few with more art movies than horror blockbusters.

David Salvi says he has several buyers whose main worry is how many yards of bookshelves they can fit into their home. "One pent-house buyer had his floors strengthened to take his book collection."

Bloomsbury is also heavily populated with students, many of them from overseas. Where overseas investors have bought in Bloomsbury - such as in Mecklenburgh Square - it is chiefly to house their offspring while they study in London.

The absence of homes with gardens is why people with children are missing from most new central residential areas. Bloomsbury is rich in London squares, but few of its old terraces or new conversions have any outside space.

Clerkenwell, as a former industrial neighbourhood has neither squares nor gar-

dens. Do its residents tire of the unremitting urban scene? Sally Chew, a magazine editor, who lives near Clerkenwell Green, does not. "There are people who like their garden and a place to park their car, but I don't miss these things at all," she says. "I'm quite happy sitting on my balcony."

Mynott admits he misses sitting out in the back garden. "But you get used to it," he adds. "The advantages of living here so heavily outweigh the disadvantages."

Brahm thinks he may miss the green of Battersea, but he plans to do something about it. "We've got the Inns of Court quite close by, but we do need some more trees," he says. "It's one of the things I want to work on with Camden Council. We also want to get Chancery Lane tube station opened on Sundays."

Sundays are not the brightest days in these parts of London. While out-of-town superstores are flourishing, the shops and restaurants in this part of town are closed. "Weekends are dead," admits Chew.

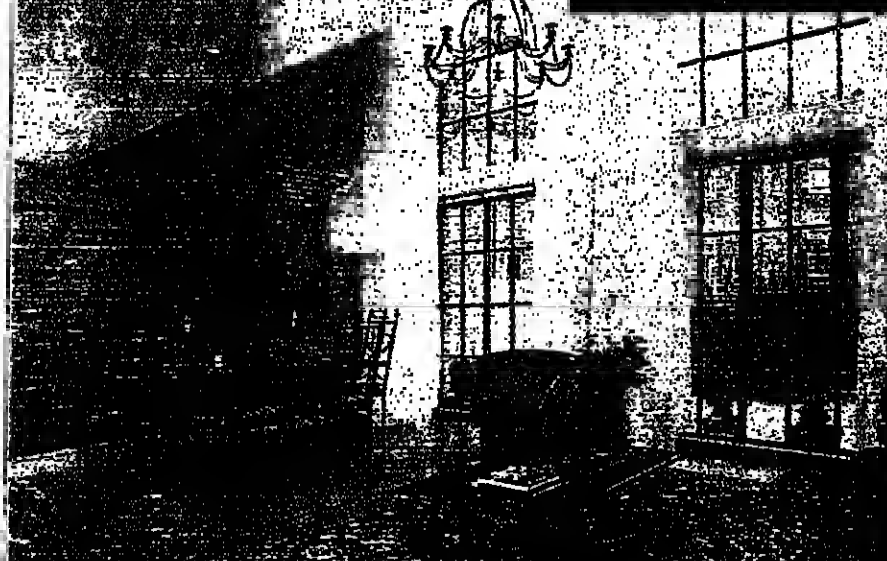
But not as dead as they used to be. Restaurants such as Vic Naylor's and The Long Room are bustling on Friday nights, she says, and some are now opening on Saturdays too. It cannot be too long before a supermarket opens in Clerkenwell, which might be the catalyst for further Sunday trading. But that could be mixed news for the corner shops.

NEXT WEEK

■ Canary Wharf: The City's serious rival
■ South-side: new Tube lines, new bridges, new attractions

DOCKLANDS PROPERTY

WAPPING WAREHOUSE APARTMENTS with a difference...



Designer Show Apartments Open 7 days a week 11am - 5pm

Light and spacious apartments, in the centre of Wapping ready for immediate occupation.

Apartments from £165,000

Penthouses with large roof terraces from £235,000

Opening hours: Mon-Sat 10am-5pm
Sundays 11am-5pm

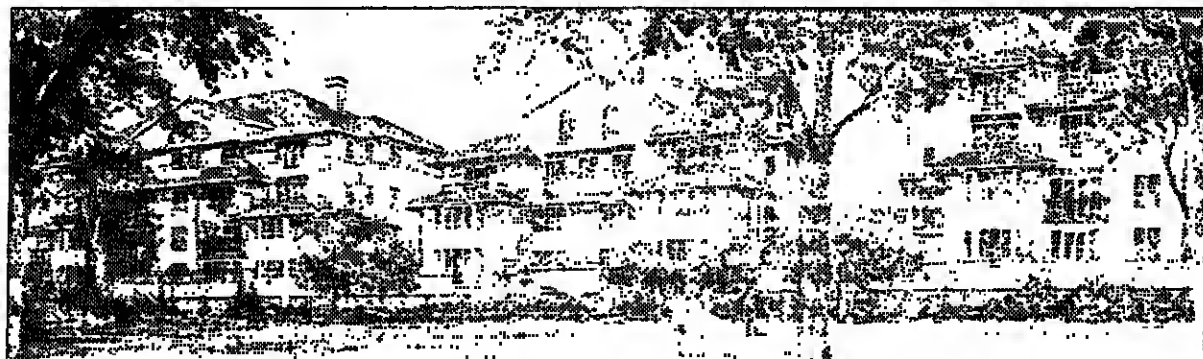
SAVILLS

0171 488 9586

Chimney COURT

23 BREWHOUSE LANE WAPPING LONDON E1

Make Commuting to the City a Dream



Apartments/town house street scene at 'Canbury Place'

SURREY QUAYS

'Canada Water' Canada Street

CLOSE TO:

CANARY WHARF UNDERGROUND

(Opposite 1998)

ROTHSCHILD UNDERGROUND

2 bedroom apartments from £135,000

Sales Office open daily 10.00am - 5.00pm

Tel: 0171 394 9589

KINGSTON-UPON-THAMES

'Canbury Place' Skerne Road

CLOSE TO: HAMPTON ROAD STATION AND KINGSTON STATION

2 bedroom apartments from £146,000

3 & 4 bedroom town houses from £250,000

Marketing Suite open daily 10.00am - 5.00pm

Tel: 0181 541 0840

'Chichester House' Galsworthy Road

CLOSE TO: NORBITON STATION

1 bedroom apartments from £89,950

2 bedroom apartments from £112,000

Contact our 'Canbury Place' development.



Persimmon

COUNTRY PROPERTY

John Clegg & Co

PRIME AGRICULTURAL LAND EAST LOTHIAN

Edinburgh 18 Miles

412 Acres/167 Hectares

FOR SALE IN UP TO 8 LOTS

A "golden" opportunity to acquire manageable blocks of outstanding quality land.

LOT SIZES FROM 12 ACRES TO 116 ACRES

Predominantly Class 1 and 2

For further details contact Angus Crow or Jon Lambert at

2 Rutland Square, Edinburgh EH1 2AS

Tel: 0131 229 8800/0131 229 4827 Email: edinburgh@johnclegg.co.uk

John Clegg & Co

BROCKLEHIRST ESTATE

Dumfries & Galloway

Dumfries 5 miles Annan 10 miles Glasgow 90 miles (Distances are approximate)

42 Acres / 17 Hectares

A grand stone built country house overlooking beautiful gardens and loch.

• Three detached cottages

• Stabling • Two lochs with boathouse

• Planning consent for change of use

• Woodland with valuable standing timber

FOR SALE AS A WHOLE OR IN 6 LOTS

Guide Prices: From £5,000 to £190,000

Contact Jon Lambert

2 Rutland Square, Edinburgh EH1 2AS

Tel: 0131 229 8800/0131 229 4827 Email: edinburgh@johnclegg.co.uk

FOR ADDITIONAL PROPERTY ADVERTISING SEE SECTION 1 PAGE 19

TRAVEL

Why St Helena feels such an unloved island

Angela Wigglesworth finds a population sad and angry at Britain's attitude to nationality

St Helena must be one of the few uninhabited islands in the world that you cannot fly to. You have to go by ship and the only one making regular scheduled calls is the 6,787 tonnes RMS St Helena, the last of the long distance mail ships which leaves Cardiff four times a year to stop at Tenerife, Ascension, St Helena and Cape Town. Once a year, it visits Tristan da Cunha.

Perhaps the fascination of St Helena, apart from the fact that Napoleon was exiled there in 1816 after the Battle of Waterloo until his death six years later, is that it is so isolated. It lies 1,700 miles north-west of, and five sailing days from, Cape Town, 1,000 miles from the nearest African mainland. A tiny speck in the South Atlantic, it is just 10% miles by six, with a population of 5,500.

It was discovered by the Portuguese on May 21 1502 and named after Emperor Constantine's mother. The Dutch were briefly there in 1633, but in 1659 it was colonised by the English East India Company and in a 1673 Charter, Charles II proclaimed it to be a British possession, giving the citizens the right to be part of Britain "for evermore". 6,000 Boer War prisoners were brought here between 1900 and 1902.

More voluntary visitors have also come: Edmund Halley, the astronomer; Bligh of the Bounty and Charles Darwin. In 1834 the island became a Crown Colony. Today, it is a British Dependent Territory, ruled by a governor appointed from London and

an elected council.

The RMS, as the ship is affectionately known, is a working vessel carrying vital cargo as well as providing accommodation for 128 passengers.

It had a friendly atmosphere with lectures, keep-fit sessions, games, film shows and dancing of an evening. It also had a captain happy to welcome passengers to the bridge. Passengers on my trip included British, South African, French, German and Americans looking for an unusual holiday or fulfilling a dream to go to St Helena. For the Saints, as St Helenians are called, on

As we drew near, we saw 700ft cliffs dropping sheer to the sea

board it was a journey to a home some had not seen for more than 40 years.

On the day we were to arrive, many of us were up on deck by 5.30am to get a first glimpse of the island. Was it a cloud on the misty grey horizon St Helena, or could that flat-topped slab of rock be St Helena? It was easy to understand how sailors in earlier centuries could have missed it.

Although little visited today, before the Suez Canal was built in 1869, hundreds of ships a year stopped to stock up with fresh water and food on their way to and from India. As we drew nearer, we saw the island's 700ft high cliffs dropping

sheer to the sea and like a thread of cotton, the main street of the island's only town, Jamestown, snaking between the cliffs over which a Union flag was flying.

Immigration officers came on board, we paid £10 for a certificate of entry, our passports were stamped, landing permits issued, life jackets struggled into and soon small motor boats were speeding across the water to ferry us into a harbour too small for large ships to anchor in.

Waiting on the quayside was Colin Corker with his 1928, 28 horse-power, open omnibus into which 14 of us piled for an island tour. We drove up through the Castle arch, past the prison big enough for 12, the police station and government offices, up the main street with its brightly coloured Georgian buildings (slave entrances still visible on some houses), a few pubs, the only two hotels on the island, and Ladder Hill with its 699 steps leading from the town to the Fort above, so high one could barely see the top.

Beyond the stark coastline was an interior of soft green valleys and roads edged with pink hibiscus, jacaranda trees, pale blue plumbago hedges and tall-stemmed sisal flowers. Lillies grew wild in the fields, and hillsides were covered with New Zealand flax. It was once used to make string for the British Post Office until it switched in the 1960s to synthetic fibre, and St Helena's only industry collapsed. Now coffee is being grown and marketed to Harrods and Whitbards in the UK, and to Japan and Switzerland.

We stopped at The Briers where Napoleon stayed with a friendly family for his first six - and happiest - months on the island. We saw his tiny red-collared, gold-buttoned black waistcoat, white plumed hat and sad letters protesting about his loss of liberty. That building, together with Longwood House (where he spent the rest of his exile) and the tomb where he was buried, is owned by the French government.



Jamestown club scouts loyal to Britain, many islanders feel let down

Picture: Peter Marlow/Hagman

Just behind a sentry box in a flower-filled corner, was an 18-hole golf course. A few miles away was the woodland path to the black railings surrounding what was once Napoleon's tomb. His body was returned to France in 1840.

Colin stopped his charabanc at the top of Ladder Hill, and three of us walked down those 699 steps to Jamestown far, far below. "You'll be stiff the next day," I was warned. I was, but it was worth the experience.

At Plantation House, the governor's home, a fête "for the poor of the island at Christmas" was in full swing. Were we in St Helena or an English village? Bunting fluttered in the breeze; in a marquee they were selling clothes, books, cakes and flowers; there were Morris Dancers and side-shows on

the lawn. Jonathan, the St Helena's tortoise reputed to be more than 200 years old, was taking things quietly in a secluded corner.

There is little crime on St Helena, and the friendly Saints greet you with a smiling hello.

George Benjamin, holder of the British Empire Medal, told me over tea in his bright yellow and blue cottage, how he had rediscovered the Ebony Flower endemic to the island but thought to be extinct, and how he was now growing the St Helena Olive. There are only three in the world, and two are in his garden. A modest man, with a wonderful knowledge of plant life.

After a picnic lunch in the shade of the Boer Cemetery,



Beyond St Helena's stark coastline are soft green valleys

Information

Angela Wigglesworth flew to Cape Town with Southern Africa Travel and was a guest on the RMS St Helena of the Cunard Shipping Line. More information about the cruise package, tours from Cape Town, Shipping Line on Tel: 01322-555554.

Southern Africa Travel Tel: 01904-822222.

Strand Voyages, Tel: 01774-535 5353.

The African Experience, 0590-162222.

Best time to go is November to February.



we walked down a track towards a glittering blue sea and the home of Jessica March. Dogs barked and out came Jessica, straight grey hair and lively brown eyes. Over sandwiches and pink-iced cakes, she told me that she had lived in the tiny cottage all her life, as had her parents before her. She had learnt to make lace when she was 14, and had given some to the Queen.

Later, I met Pat Musk, the first woman sheriff and a magistrate, who plays the organ for church services.

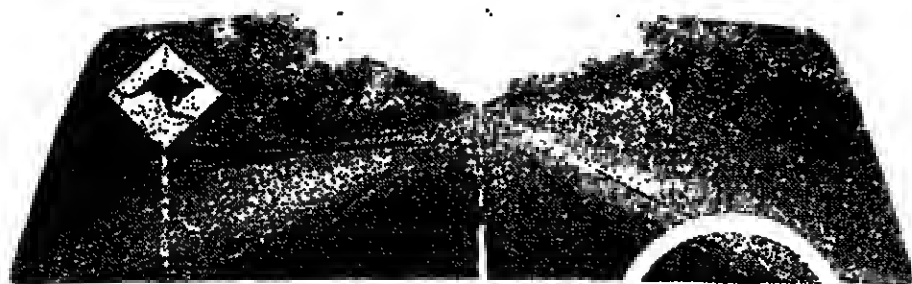
No visitor should leave without visiting Anne's Place in the public gardens and Dot's in the market hall to taste the best fish cakes and stuffed tuna, as they both claimed, and for meeting the inimitable Anne and Dot themselves.

RMS passengers could sleep on the ship or in town.

Australia



Return flight with Qantas and British Airways



and seven days free car hire* with Avis.

Australia from £849* with Trailfinders. It's a good deal whichever way you look at it.

We're also offering two free stopovers anywhere on the Qantas/British Airways network* you can even fly round the world for an extra £50! What's more Trailfinders is giving away AU\$50 worth of travel vouchers each to spend in Australia. So now's the time to stop staring out of the window dreaming about Australia, and actually do something about it. All you have to do to take advantage of this brilliant offer is book by June 15th. And travel during November, or between January 21st and March 31st. For reservations and a brochure call Trailfinders on 0171 938 3366.

QANTAS

TRAILFINDERS
THE TRAVEL EXPERTS

BRITISH AIRWAYS

*Based on two people travelling. Conditions apply. Prices include basic A supplement applies to air fare in Northern Territory. ATOL 1058 IATA, ABTA 03922. Trailfinders Ltd, 799 Kensington High Street, London W8 7BG.

AMSTERDAM VANAL DFL 180	BERLIN AB DMT25	BRUXELLES A PARTIR DE 2500	DUBAI FROM 1000
HAMBURG AB DMT43	JERUSALEM FROM USD 130	LISBOA DESDE ESC 10	LONDRE FROM 100
MALTA FROM USD 37	MILANO A PARTIR DE 10000 LIT	SCOTLAND FROM £42	WIEN AB 100

* Per person, per night, based on 2 people sharing a double room.

At these prices, the weekend can last all week

When was the last time you went away for a long weekend? You've got no excuse now, because our special Weekend rates are available every day of the week, as long as you stay a Friday or a Saturday night. Our Super Breakfast buffet is included in the price and up to two children under 18 can stay free in your room, depending

on available space. Why not make it a break just for yourselves and take in a show, sightseeing and some shopping? Call us now, but you'll have to be quick, availability is limited, at these special prices. For reservations call 0800 374411 or non toll-free from any other country on: +353 1706 0284.

GREAT
RATES

Radisson SAS
HOTELS WORLDWIDE

http://www.radisson.com

Radisson operates more than 350 hotels worldwide. You can find Radisson SAS hotels in: SCANDINAVIA: Aarhus • Copenhagen (4) • Odense • Bergen (2) • Bodø • Kristiansund • Oslo (3) • Stavanger (3) • Tromsø • Trondheim • Göteborg • Helsingborg • Luleå • Malmö • Örebro • Stockholm (5) • Västerås. EUROPE: Salzburg (2) • Vienna • Bratislava • Helsinki • Nice • Berlin • Dresden • Düsseldorf • Erfurt • Hamburg • Leipzig • Merseburg • Neubrandenburg • Rostock • Wiesbaden • Budapest • Bergamo • Brescia • Lake Garda • Lodi • Milan (2) • Nîmes • Rome • Milan • Amsterdam • Szczecin • Lisbon • Sochi • London • Radisson SAS Parkman and Radisson Edwardian (10) • Scotland: Aberdeen (2) • Dundee (2) • Belfast • Jerusalem • Tel Aviv • Tiberias • Zichron Yaccov • Kuwait City • Dubai. ASIA: Beijing • Shanghai.

مكتبة النجف

TRAVEL

Back to Vietnam and its poignant memories

The British correspondent Sandy Gall is waylaid by the past on his return to Saigon

The boy looked about 10, although he turned out to be 15. Small, slight as most Vietnamese are, nice-looking and exceptionally well-mannered. He proffered the usual collection of postcards, and - unusually - a couple of books as well. "The Quiet American," he said in his well-modulated English. "Let me see," I said, surprised, taking the slim, green, plastic-covered volume from his little pile. At first I could not believe the whole of Graham Greene's masterpiece could be contained in that almost wafer-thin format. But it was, all 288 pages of it, although some were fainter than others: a pirate photocopy of the latest Penguin edition.

"A dollar," I said. I had already discovered in the 24 hours I had been back in Saigon, or Ho Chi Minh City, to give it its official name, that everything costs \$1.

"Two dollars," the boy said, politely but firmly.

We were standing outside the Continental, where Greene always stayed and where Fowler met Pyle, the quiet American, for the first time. They met of course on the terrace, where everyone used to gather for a drink in the evening: prostitutes, pimps, politicians, journalists, French colonels, American contractors, Vietnamese agents and little girls selling necklaces of sweet-smelling jasmine.

The terrace, alas, is no more, pulled down in 1975 by the communist authorities who presumably thought it was too conducive to free speech, and thus subversive.

"Go on," said Sally, "don't be mean. Give him \$2." I gave in, just in case the great man's ghost was watching. His last sale of the day completed, the little boy walked demurely away across the square.

It was about 10 in the evening, and we had just spent a pleasant hour in the garden of the Continental, set in an inner courtyard which looked largely unchanged, with the old garden furniture, and the old drinks list. Manhattan, Tom Collins, Margarita, Tequila Sunrise, White Lady...they

were all there, faint echoes of a more stylish past.

The past waylaid me everywhere I went in Saigon. We stayed in the Majestic Hotel on the river front where I had watched the final disintegration of the South Vietnamese regime in 1975. As people desperately scrambled to board the ships moored along the quay, I saw one family hoisting their possessions up over the side, including an aged grandmother who was passed from hand to hand like a paper parcel.

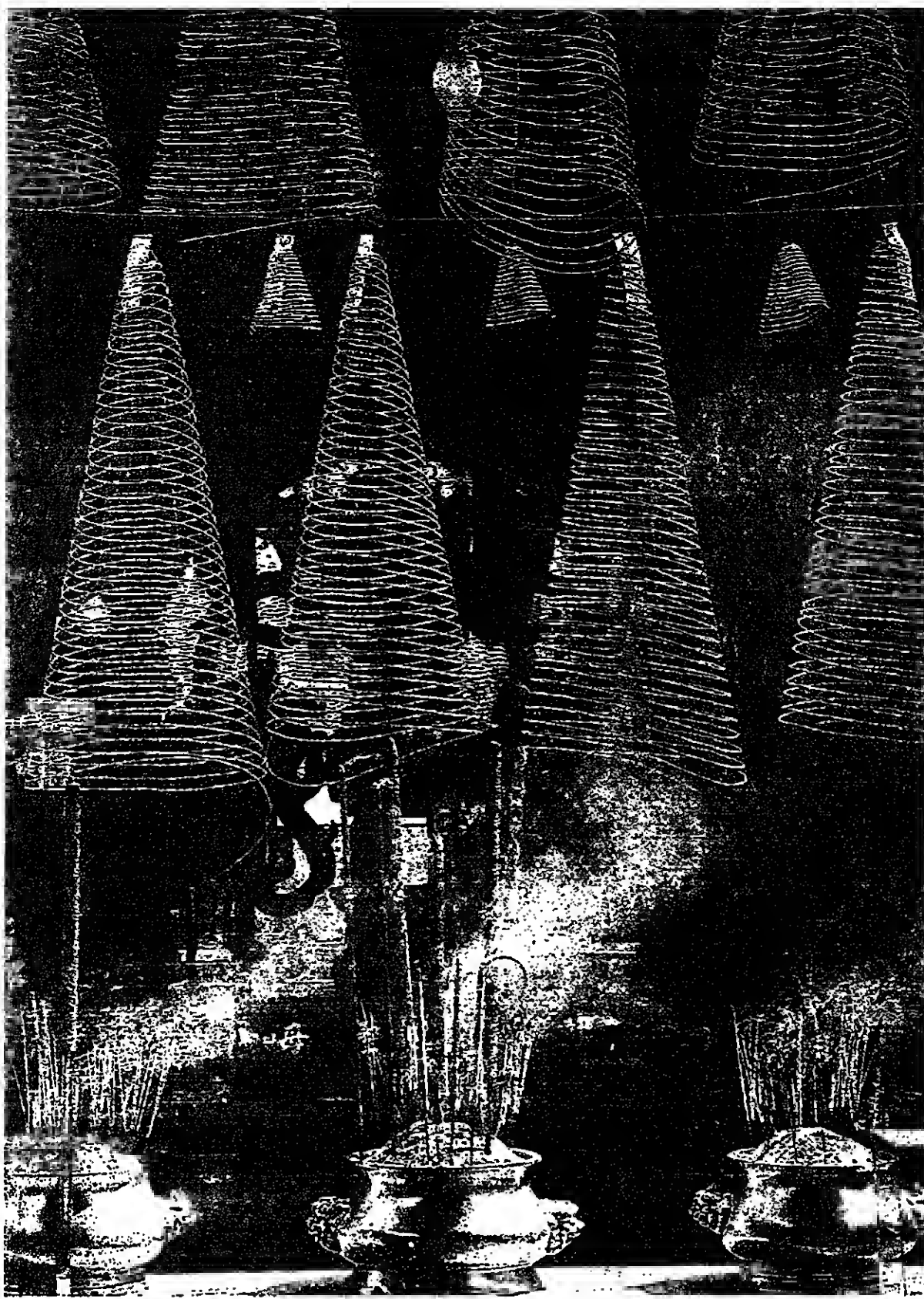
Now the Majestic is all marble and polished brass, and a smartly dressed Vietnamese girl plays very passable Scott Joplin on the piano at breakfast.

The street that runs up to the Majestic, once the most famous street in Indochina, called Rue Catinat by the French, then Tu Do by the South Vietnamese, and now Dong Khoi by the Communists, used to hum with girls selling an insipid but costly concoction called Saigon tea. "You buy me one Saigon tea," the girls would whisper, nestling up against you, and trying to work out how many dollars you were good for.

The Liberty, where we dined one night, reminded me of the girls' bars, although there was no Saigon tea, only Black Label and Napa Valley Red, and two mini-skirted chanteuses belting out old 1960s favourites.

We drank a rather good Robert Mondavi Cabernet Sauvignon called Stockbridge, and ate delicious prawns and crab, the seafood in Vietnam is still excellent. The streets are even more frenetic than they used to be, swarming with motorbikes and scooters, all seeing alarmingly from lane to lane, and criss-crossing apparently at random, while the drivers and sometimes as many as three passengers weave their way precariously between lorries, buses and cyclists.

The cyclists, often schoolgirls, are the most elegant, usually clad in the national costume, the tight-fitting sheath-like *ao dai* pronounced "ow zai" which makes every Vietnamese girl look like a model. Although



Incense burns in a temple in Ho Chi Minh City, formerly Saigon

hanned by the Communists from 1975 to 1986, the *ao dai* has made a spectacular comeback, and is now the official school uniform for girls.

In the Giac Lam Pagoda in Cholon, Saigon's huge Chinatown, I was reminded that 60 per cent of all Vietnamese are Buddhists, and that Buddhism will probably exert a more lasting influence on the Vietnamese than Marxism. We stood in the incense-scented dusk of the temple, listening to a venerable *bonze* sounding his prayer gong - and recalling that the Buddhists were mainly responsible for bringing about the downfall of the dictator, President Diem, in 1963.

Diem and his brother took refuge in a Catholic church in Cholon, and were assassinated shortly after surrendering to the coup leaders. Strange that such a gentle religion could precipitate such a bloody outcome. As we were about to leave

the pagoda, we heard a soft, continuous chattering. "What's that," Pam asked, looking rather alarmed. "Birds," someone said. "In a cage, over there." We finally spotted them, a score of tiny finches crammed in a cage that was far too small. As our British sense of fair play rose up in indignation, a Vietnamese hovering discreetly in the background came forward and explained, partly in dazh show, that the birds were there to be released, in propitiation of the spirits. "Very soon," he smiled consolingly. "Birds fly away." We all felt much happier.

Dalat, our next stop after Saigon, is like an Alpine time capsule, cocooned in groves of pines, the air bright and fragrant. To the eye, it has changed little since the days of the French, and the summer palace of Bao Dai, the last Vietnamese Emperor, still alive and living in Paris, has been pre-

served as a museum. An art deco curiosity, it looks as if the French had skimped on the budget, permitting only basic furniture and fittings. But I did like the big balcony outside Bao Dai's bedroom, which the Emperor used, as the guide put it, for "moon-watching and breeze-getting". Bao Dai liked shooting tigers too, and did his best to exterminate the species, still plentiful in the 1940s and 1950s, but now found only in Vietnam's highest wildlife reserve, the Yok Don National Park, north-west of Dalat on the Cambodian border.

But it was the old Imperial capital of Hue which held the most poignant memories for me. Built on the Perfume River, so-called because of the scent of the blossoms drifting on its placid waters, Hue was for 150 years the home of the Vietnamese emperors. In 1968, during the Tet Offensive, the Citadel

was occupied by the North Vietnamese army, until the Americans sent in the Marines.

There was heavy fighting, and much destruction. Miraculously, the Thai Hoa, Palace of Supreme Harmony, was spared. I remember visiting it only a few hours after the Marines had recaptured the Citadel and hoisted the Stars and Stripes. Although the ground was littered with the debris of war, the palace was still intact.

Now it has been returned to its former glory. Of the 80 ironwood columns which supported the roof of the Throne Room, only two had to be replaced. Seventy-eight of the original columns have been restored and repainted with 13 coats of red and gold lacquer, which took six months to dry. Twenty-nine years later, with the memories of that battle no more than a faint echo, the Palace of Supreme Harmony has recovered its ancient calm.

Forget the cucumber sandwiches

Giles MacDonogh explores Edinburgh's old port of Leith

If afternoon tea at the Balmoral is anything to go by, Edinburgh's five-star hotels are not up to much. A stale cucumber sandwich (actually some sort of blend of cucumber and cream cheese) costs £6 and the service was of the "true the day" school. I have not been into the Caledonian, but the outside would seem to define the Scots adjective "dour". Scotland's capital could be better served.

The Edinburgh Residence is a possible alternative. It consists of two - shortly to be three - tall Victorian houses on the edges of the Georgian New Town, which have been tastefully renovated and turned into large rooms and suites. Interested parties buy a 20-year time share which allows them a basic week a year which may be parcellled up into different two- to three-day periods.

Owners may then buy supplementary days when they are available. The festival and Hogmanay week are not included in the scheme and must be purchased separately.

Apart from cultural bodies with an interest in the festival, the Residence would certainly suit companies needing regular accommodation in Edinburgh. Besides discreet, quiet and comfortable rooms, there is 24-hour room service which brings you anything from a sandwich (fresh, and a third the price of the Balmoral) to a three-course meal.

What convinces me far less is the idea that "non-corporate" customers will want to spend £5,000 to £11,000 for the 20-year occupancy, but people certainly come to Edinburgh - the second most popular short break destination in the British Isles - and the city is ravishingly beautiful, both in the Old Town, and the New.

I used my weekend to take a closer look at Leith, Edinburgh's old port, which I was told was being redeveloped to become a lively new quarter on the model of Cape Town, Oslo or Newcastle-upon-Tyne. The first in, it seems, has been the Scottish Office, which occupies a spanking new building on the quays. Other companies are to follow.

It is a two-way process, however: much of traditional Leith life is moving out. There was still a jolly atmosphere in the Port o' Leith pub, with a tall, possibly Polish, man dancing rock 'n' roll with the women at the bar; ladies of the night still prowled the streets looking for the odd sailor; syringes still littered the streets. This is the seamy side of Leith - indeed, any port you care to name.

Leith used to be the centre of Edinburgh's wine and whisky trade. Macdonald and Muir, the owners of Glenmorangie and Arbeg distilleries, have recently deserted the port. According to the bluff Sandy Irvine Robertson, he is the last wine merchant left in the port and one of only seven independents in Scotland. He still does good business with his "Leith Claret" and other blends celebrating the "Auld Alliance" and the bilious Highland clans.

One vibrant member of the drinks trade in Leith is the Scotch Malt Whisky Society, which inhabits a wing of a large 18th century warehouse which was once choc-a-bloc with wine. Members pay £50 and receive their first bottle of cask-strength malt. New malts come on stream all year and you have the right to use the members' room: a vast but warm hall open at

Loch Sween oysters and a brown trout made a more than adequate lunch

lunchtime and three evenings a week for snacks, malt, beer or wine.

Downstairs, the Vintners' Rooms is reckoned to be Leith's best restaurant. I had a good pigeon terrine and fine hurgundy from a good, well-priced list, but much of the meal disappointed. Down by the new Scottish Office is Skippers, a family-run fish restaurant "animated" by Allan Corbett, brother of Ronnie Skippers. Broader rather than atmospheric than the Vintners' Rooms, and a good plate of Loch Sween oysters and a brown trout made for a more than adequate lunch.

Denzlers 121 is in the old Pattison building, the company which went bust in 1986 to the tune of half a million and crushed the first great whisky boom in its wake. The restaurant is charmingly old fashioned. The Denzlers are of Swiss descent, and there are lots of doughty Swiss dishes on the menu, and a few wines too. Moreover, the service has the warmth of a bygone age. ■ *The Edinburgh Residence*, tel: 0131-226 3380. ■ *Irvine Robertson Wines*, 0131-553 3321. ■ *The Scotch Malt Whisky Society*, 0131-555 2266. ■ *The Vintners' Rooms*, 0131-554 8423 (£40 including wine). ■ *Skippers*, 0131-554 1018 (£25 including wine). ■ *Denzlers 121*, 0131-554 3268 (£30 including wine).

Spires and Spirits / Adrian Gardiner

The 'terrible siren' of Tewkesbury

At 5453 it was a bargain. That was the sum demanded by Henry VIII for Tewkesbury Abbey; the valuation of the steeple, bells and clock. The townspeople scraped it together, thus preserving one of England's most beautiful buildings.

Tewkesbury, in Gloucestershire, is one of the country's best-preserved towns. It was built on rising ground between the rivers Severn and Avon, and the surrounding flood plain has precluded expansion or "promiscuous ribbon development", to use planning jargon.

Tewkesbury's buildings come in two distinct period styles: half-timbered medieval, and the later Georgian brick. Some 350 are listed. Two coaching inns deserve special mention. The Royal Hop Pole opened for busi-

ness in the 15th century. The interior is delightful: hardly a straight line or right angle in sight and on upper floors, staircases lean drunkenly away from the perpendicular.

A plaque on the outside records the visit of Mr Pickwick and friends (most likely Dickens stayed there) - and after a session on "Bottled Ale with some more Madeira and some Port besides...Mr Pickwick and Mr Ben Allen fell fast asleep for thirty miles while Bob and Mr Weller sang duets in the dickey." The 17th century Bell Hotel also has literary associations. In *John Hal-*

for, Gentleman by Mrs Craik, it appears as the house of tanner Abel Fletcher.

But the abbey, consecrated in 1121, is Tewkesbury's centrepiece. It holds a host of treasures. The 14 Norman columns in the nave are the tallest in England. The Milton organ - one of three - is among the oldest in the world. (The poet, who was Latin secretary to Oliver Cromwell, practised on it at Hampton Court Palace.) The wooden stalls with carved misericords are rarities.

Above the choir seven stained glass windows date from 1340. They depict the

powerful Norman families who founded the abbey: Sir Edward Despenser, standard-bearer to the Black Prince and ancestor of Princess Diana; Hugh, Baron Despenser and his wife Elizabeth; Sir Guy de Brien, a standard-bearer at the battle of Crecy and Admiral of the English Fleet, and others. They occupy ornate tombs, but it is a simple modern plaque which draws our attention - that of Victoria Woodhull Martin.

A household name in America, she is scarcely known in Britain. She was born in Ohio in 1838. By 1869 she had become a banker

and broker on Wall Street - an unusual career for a woman - and two years later had embarked on a lifelong campaign for women's suffrage.

Woodhull Martin was the first woman to stand for president, on a ticket of legalised abortion, legalised prostitution, birth control, free love and vegetarianism. These were brave campaigns for the times.

Her enemies - and she had many - dubbed her "The Terrible Siren", "Mrs Satan" and "The Petticoat Politician". While on a lecture tour of English cities, she met and subsequently married

John Biddulph Martin, a London merchant banker, and on his death in 1893 she inherited the family's Gloucestershire estates around the village of Bredon's Norton.

Even in her 60s and 70s she seems to have had indefatigable energy. She adapted quickly to life as lady of the manor. She improved roads and houses around the village, built a school, and started a society to promote Anglo-American friendship.

She was among the first women in Britain to own a car and loved speeding, threatening to sack her

chauffeur if he drove too slowly.

I had to see the house where she entertained the Prince of Wales, Arthur Balfour, the prime minister, and the Lord Mayor of London. Bredon's Norton is a few miles from Tewkesbury on the western escarpment of Bredon Hill, and the manor house sits at the top of the village, with a panorama over the Vale of Severn.

"She became rather eccentric in her old age," Richard St Aubrey Davies, the present owner, told me (his aunt saved the house from demolition in 1963). "She used to stand at nine

end of the hall and shout to guests at the other, rather than risk catching disease."

It is a peaceful place for the last years of a great social campaigner, a woman who fought bigotry and prejudice all her days, and who wrote: "All this talk of women's rights is moonshine. Women have every right."

■ *Tewkesbury tourist information* is on 01894-295027. ■ *Royal Hop Pole Hotel*: 01684-293236, fax 01684-296680. ■ *The Manor House at Bredon's Norton* is an upmarket B&B, with a swimming pool and jacuzzi. It also caters for the corporate hospitality sector and offers archery, clay-pigeon shooting etc. Tel: 01684-772977. ■ *The best biography of Victoria Woodhull* is *The Woman Who Ran For President* by Lois Beachy, Underhill (1995).



The road to Wembley. Based on technology more often found in military aircraft, BMW's in-car satellite navigation system can locate your vehicle to within 10 metres. That established, it reduces journey times and fuel consumption by planning the shortest route. Whatever your goal.

Available as an option on BMW 5 and 7 Series from £3,355 (incp). For full details of network coverage contact your local dealer. BMW Information: 0800 355600; <http://www.bmw.co.uk>

The Ultimate Driving Machine

هنا من العمل

EDUCATION

Separatist urges keep minority languages alive

Simon Targett looks at courses in Arabic for receptionists and Manx for beginners

These days, it is easy to find "teach yourself" guide books and cassettes to the world's most exotic languages - Mandarin, Swahili, even colloquial Serbo-Croat. It is easy to find class-based courses, too - not merely traditional tutorials but tailor-made teaching for every conceivable purpose.

Fancy Arabic? There is "Holiday Arabic" (Havering Further Education College), "Arabic for receptionists"

(Westminster Adult College) and "Arabic for business" (Arab-British Chamber of Commerce).

By contrast, it is much more difficult to find guides and courses to the UK's own collection of exotic languages and dialects. But a renewed interest in local identity together with a revival of regional economies - exemplified by plans for a Scottish parliament, a Welsh assembly, and even regional assemblies in England - mean that things

are changing fast.

There are around 60,000 speakers of Scottish Gaelic, and Peadar Morgan, director of Comann an Luchd-Iomhaich, the Gaelic learners' group, says that this figure is rising.

One reason is that Gaelic TV, taking the native language into the living room of every Scot for the first time since the middle ages, is encouraging English-speakers across Scotland to listen, rather than just read the subtitles.

Another reason is that "Munro bagging" - the art of climbing Gaelic-named mountains - higher than 3,000ft, which was popularised by the late Labour party leader John Smith in the early 1990s - has become such a fashionable pursuit that hill walkers are clamouring to find out the meaning of such names as Lianach (the grey one) and Carn Maing (hill of sorrow).

The knock-on effect has been the mushrooming of Scottish Gaelic courses. For serious beginners, there are "immersion" courses (Clydebank College) and an 18-week television course (currently being screened at 4am on BBC). For casual beginners, there are residential summer courses on the Isle of Skye and Sutherland.

The Irish language, another Gaelic tongue (but pronounced slightly differently), is also enjoying a revival, not least for economic reasons.

According to Donal O'Riaghain, director of the Dublin-based European Bureau for Lesser Used Languages, some continental European companies trading in the Gaelic, the Irish-speaking localities, are sending their employees on business-oriented Irish courses.

University College Galway runs a four-week course in July and August, targeted at the beginner or intermediate level and costing £250 plus £127 a day full board in private houses.

Weekend and weekly courses, ranging from £45 to £110 and leading to a diploma recognised by the department of education, are run by Oideas Gael in Donegal.

Elsewhere, there are beginners' courses run by Wandsworth Adult College and Croydon Continuing Education and Training Service.

Welsh, the most widely spoken of the British minor-

ity languages - around 500,000 claim some fluency - offers an even greater choice of courses, and with the Welsh Language Board preparing a strategy paper to promote Welsh for adult learners, this is set to become wider still.

There is, for instance, a weekend residential course in July, run at the Gwynedd Language Centre in Newtown, costing £139, pitched at all levels and "with a stress on speaking".

Alternatively, there is a summer-long "Intensive Welsh" course, run by the University of Wales in Cardiff, costing £975 and leading to a diploma.

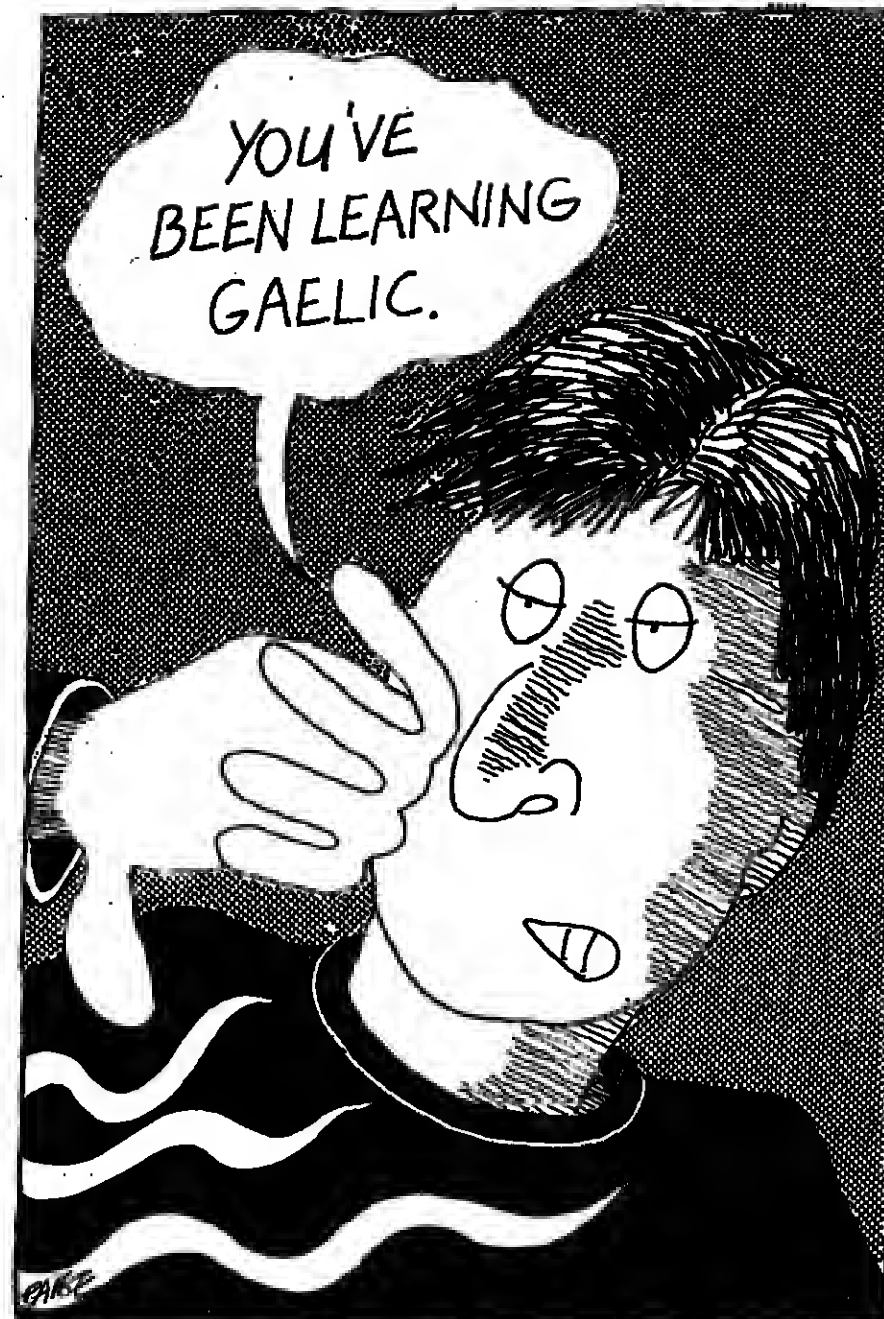
Outside the principality, there are weekly evening classes offered by the London-Welsh Centre.

The other surviving Celtic language in Britain is Manx, a language which began life as an offshoot of Old Irish in the fifth century and which is unique to the tiny Isle of Man. The last native speaker died in the early 1970s, but the language is still spoken by a few hundred people, and it is enjoying something of a revival.

This September, the first GCSE-equivalent course will be available. If this sounds too much like hard work, the Manx Gaelic Society is running summer courses for "committed beginners". A five-day course in August, held at the Manx Museum in Douglas, costs just £15, not including accommodation.

Manx, like Welsh and the Irish and Scots versions of Gaelic, are living languages - just about. But Cornish, the fifth British Isles-based Celtic language, died out 200 years ago. Yet enthusiasts, driven perhaps by a fierce local pride, can still learn Cornish because it has, like Hebrew, been reborn.

Words for 20th century inventions have been concocted - "television" is "pell-wolok" - English/Cornish



dictionaries have been published, and the courses are surprisingly widespread.

In Cornwall, there are afternoon and evening classes run by the Cornish Language Advisory Service and the Cornish Language Council. Outside the county, there is a Cornish Language Board correspondence course, run from Sutton Coldfield in the West Midlands and costing £17.50 per grade, and two eight-week courses run by the City Lit Institution in London.

It was the English language which, by holding the

key to economic prosperity, ensured the demise of Cornish. Yet, paradoxically, it too is under threat in its own back yard - at least in all its ancient variety.

That is why many people, keen to preserve a local identity, are turning up to lectures run by such groups as the Yorkshire Dialect Society, which this year celebrates its 100th anniversary.

If the British Isles languages do not sound quite exotic enough, then there are courses in continental Europe's minority languages, targeted at foreign-

ers, which have multiplied with the rising tide of separatism and subsidiarity.

The Fryske Akademy, based in the Netherlands, holds a list of courses in 14 minority languages, including Aragonese, Basque, and Rhaeto-Romanian.

Enrol on a summer residential course at the Instituto da Língua Galega in the Spanish town of Santiago de Compostela, and you could help stop Galician from being one of the world's 3,600 languages expected to disappear by the end of the next century.

LANGUAGE LEARNING

Institut d'Etudes Françaises pour Etudiants Etrangers Université Aix - Marseille III

Study French in the South of France three 4-week intensive sessions (June, July, September)

Regular semester (13 weeks) or yearly courses also available. All levels

Please contact:
The Director I.E.F.E.E.
23 rue Gaston de Saporta
13625 Aix en Provence
Cedex 01, France

Tel: 00334 4221 7090 Fax: 00334 4223 0264

SUCCESS WITH ENGLISH
IN SMALL GROUPS
5 to 9 students per group
Individual tuition

Sels College London
RECOGNISED BY THE BRITISH COUNCIL AVELS EST. 1979

- Intensive English courses for foreigners
- Qualified university graduate teachers
- Accommodation / excursions arranged
- Situated in the heart of London, near the Royal Opera House
- A quarter century of teaching English to the world
- 25,000 students have successfully studied at Sels College

64 LONG ACRE, COVENT GARDEN, LONDON WC2E 9JH
FAX: 0171 579 5795 TEL: 0171 240 2281
einfo@sels.co.uk Website: www.sels.co.uk
Principal: Y. Reiss, BA (Econ), MEd, Barrister at Law, FRSA.

CHALLENGE
The Language Specialists

2-4 wks Summer courses
Côte d'Azur - Paris - Bordeaux
Sorbonne University - Paris
Nantes, Poitiers & Toulouse
Academic Year, Semester, Summer

'A' Level revision & Under 18's programmes
Bergasse - Biarritz - Berlin
Tel: 01273 220261

LANGUAGE STUDIES INTERNATIONAL
Executive Language Learning

- Courses in over 25 foreign languages
- Corporate in-company training programmes
- Individual & group courses
- Degree standard native tutors
- Specialists in communication skills for marketing, finance & law

10-21 Regent Street, London WC1E 7AJ
Tel: 0171 467 4500 Fax: 0171 467 4501
E-mail: wh@lsl.wm-ol.net

STUDY LANGUAGES IN EUROPE
Language courses abroad for learners or placement, all ages - including

SPANISH FOR EXECUTIVES
IN GRANADA

We can help you find the course to meet your personal requirements.

STES Ltd West Wing Five Dayton House, Five Clayton, Granada, CB5 5SW
Tel: 01624 237950 Fax: 01624 232294

EN FAMILLE OVERSEAS
Language Courses in France & Spain while staying with friendly families. Any time, any age. Also homestays with one-to-one tuition: Paris, Côte d'Azur etc.

En Famille Overseas, FT, The Old Stables, Amstel BN18 9BG Tel: 01903 883266

French in France
Richard Lewis studies 1996

Richard Lewis studies 1996
Tel: 0144 7942 771111
Tel: 0144 7942 771355

AIGLON COLLEGE SUMMER SCHOOL

Our well-established Summer courses will take place on the following dates this year:
10th - 31st July & 3rd - 24th August.

Intensive English and French courses together with sports, activities, expeditions, hiking, camping and Swiss culture for students of all nationalities in the French-speaking Swiss Alps.

Full details are available from:
Miss Juniper Reid, Aiglon College,
1885 Chesholme - Villars
Tel: +41/24/4852721 or
Fax: +41/24/4852811 or
Info@aiglon.ch

LEARN THE LANGUAGE ON LOCATION
In France, Germany, Italy, Portugal, Ecuador & Spain.
All ages, all levels, all year.
Call 0181 686 2363
Fax: 0181 681 8850
Euro Academy (FT)
77a George Street,
Croydon CR9 1LD
ABTA 2626 ATOL 3363

LANGUAGE COURSES ABROAD & ENGLISH COURSES IN BRITAIN

FRANCE, GERMANY, SPAIN, ITALY, SWITZERLAND, ECUADOR, MEXICO AND JAPAN.

Brochure: Cambridge Advisory Service, Rosary Lane, Kingston, Cambridge CB3 7NL
Tel: 01223 264 089 Fax: 01223 264 188

6 DAY INTENSIVE FRENCH IMMERSION COURSES
In a picturesque Val de Loire village
Individual accommodation with French families
IMMERSION FRANCE
Embust
Arundel Road, Angmering, West Sussex BN16 4JR
Tel: 01903 778230

SPANISH IN SPAIN
* SUMMER HOLIDAY COURSES - all ages
* ALL YEAR ROUND

adult intensive courses
GALA Regional Office,
Woodstock 148 1/2 High Lane
Farnham, Surrey GU9 5HP
Tel/Fax 01252-715319

FT Education

Language courses are advertised every Monday in the Business Education section of the Financial Times.

For more information on this or any of the education features listed below, please contact

Will Piper, Financial Times,
One Southwark Bridge, London SE1 9HL
Tel: 0171 873 4418 Fax: 0171 873 3098

August 16 and August 30:

Education Courses Reviews,

August 23: the FT Top 500

Independent Schools feature,

October 4: the FT Top 1000 Schools feature.

Financial Times

You really can be confident in FRENCH, SPANISH GERMAN or ITALIAN in 3½ weeks.

You get a much warmer response when you travel and command more respect in business, if you speak another language. It also helps greatly with school progress.

But many people are put off learning a language because they fear it takes too long, will be too difficult or blurry, will be boring.

Why? Because traditional methods have often put too much emphasis on pure reading and writing. The common complaint is "I can read a bit of French - but I can't speak it."

Accelerated Learning is a very different method, based on Nobel Prize winning research. You learn the way you learned English - through a unique combination of seeing, hearing and doing.

ALL THE WAYS TO LEARN
Physical Learning. By imitating the actions on a unique video and repeating the phrases you see on super titles, you learn key vocabulary quickly and easily. Watching and imitating is how you started to speak as a child.

Auditory Learning. You listen to a series of realistic and intriguing radio plays on 12 cassettes. You become absorbed in the story and motivated to hear what's next. The plays cover all the important situations you'll meet and you absorb vocabulary easily in a natural way.

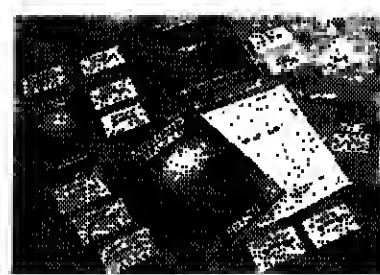
There are parts you can practise in the car and even a part where the story is repeated to music, a technique that involves the left brain (words & logic) and the right brain (music and creativity). The words become as easy to remember as a song.

Visual Learning. In your course the foreign language has the English text immediately alongside. It helps you absorb the words naturally and easily. Then key phrases are vividly and memorably illustrated through "Memory Maps". When you recall the images, you recall the words.

FREE
We invite you to order with this reassurance. We will not process your cheque or credit card for at least 15 days after we dispatch your course. If you are not completely satisfied that this is the fastest and most enjoyable way to learn a language, simply return the programme and you will have paid nothing. That's how sure we are.

TRIPLE BONUS
Order a Language course within 10 days and we will send you:
• The Secrets of Learning a Language - an invaluable guide book.
• A digital electronic travel alarm clock with world time zone settings.
• The Physical Learning Video - that immerses you in the language.
A total bonus value of £20!

ACCELERATED LEARNING SYSTEMS LTD, 59 Aylesbury Rd., Aston Clinton, Aylesbury, Bucks HP22 5AH
Telephone Enquiries 01296 621177



Total Involvement. There are dozens of games and activities to get you using your new language in natural and enjoyable ways. One, the Name Game, unlocks the meaning of thousands of words from the very first day.

It's the unique multi-media combination that engages your whole brain and gets you speaking confidently in such a short time. And fluent communication gives you a wonderful sense of achievement.

PROVE IT TO YOURSELF
We invite you to order with this reassurance. We will not process your cheque or credit card for at least 15 days after we dispatch your course. If you are not completely satisfied that this is the fastest and most enjoyable way to learn a language, simply return the programme and you will have paid nothing. That's how sure we are.

FREE
We invite you to order with this reassurance. We will not process your cheque or credit card for at least 15 days after we dispatch your course. If you are not completely satisfied that this is the fastest and most enjoyable way to learn a language, simply return the programme and you will have paid nothing. That's how sure we are.

TRIPLE BONUS
Order a Language course within 10 days and we will send you:
• The Secrets of Learning a Language - an invaluable guide book.
• A digital electronic travel alarm clock with world time zone settings.
• The Physical Learning Video - that immerses you in the language.
A total bonus value of £20!

FREE
We invite you to order with this reassurance. We will not process your cheque or credit card for at least 15 days after we dispatch your course. If you are not completely satisfied that this is the fastest and most enjoyable way to learn a language, simply return the programme and you will have paid nothing. That's how sure we are.

TRIPLE BONUS
Order a Language course within 10 days and we will send you:
• The Secrets of Learning a Language - an invaluable guide book.
• A digital electronic travel alarm clock with world time zone settings.
• The Physical Learning Video - that immerses you in the language.
A total bonus value of £20!

ACCELERATED LEARNING SYSTEMS LTD, 59 Aylesbury Rd., Aston Clinton, Aylesbury, Bucks HP22 5AH
Telephone Enquiries 01296 621177

THE METHOD WORKS

Education News says, "It's radically different - there are so many features about it that recommend it to the learner." The Bankers Institute of New Zealand says, "Accelerated Learning is the new competitive weapon."

Mensa says, "It's revolutionary." The Daily Mail reported that "Children using Accelerated Learning are racing ahead." "The results are spectacular."

BBC and ITV news recently reported on a school where ten times more students using Accelerated Learning Courses got top marks compared with those using conventional courses.

Australian TV news reported "Astonishing fluency." "They did two years work in three months."

Hundreds of companies for whom proficiency is vital use Accelerated Learning for language and general training - such as Air UK, Boeing, Boots, Esso, IBM, Kodak, ICI, Rover, Glaxo, Sony, Tesco, Nestle, Lloyds Bank etc.

FLUENCY COMES QUICKLY

Can you really speak well in 3½ weeks? Yes, the record so far was 31 hours of study to pass the Institute of Linguists Preliminary Certificate. Think what you could achieve in a month! Order today on FREEPHONE (0800) 50 20 20 (24 hours) or use the coupon below.

French ☐ **German** ☐
Spanish ☐ **Italian** ☐

I enclose my preferred method of payment (which will be processed only after 15 days to keep my course):

☐ One full payment of £99 (plus £5.50 Parcel Post Delivery) Total £104.50 OR ☐ An initial deposit of £38.50 followed by 3 consecutive monthly payments of £24 each (Total £110.50)

☐ Credit Cards Only

I enclose my cheque for £ or debit my Visa/Access card

Card No: _____ Expiry date: _____

Mr/Ms/Ms _____

Address _____

Post Code _____

Signature _____

SEND TO: ACCELERATED LEARNING SYSTEMS, FREEPOST, AYLESBURY, BUCKS. HP22 4BH

100% satisfaction guarantee or your money back

14 day money back guarantee

Prices include postage and insurance

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

AMSTERDAM

CONCERT

Concertgebouw Tel: 31-20-6718345
 ● Koninklijk Concertgebouworkest: with conductor Riccardo Chailly and violinist Gil Shaham in works by Brahms, Strauss and Bartók; May 23

EXHIBITION

Rijksmuseum Tel: 31-20-6732121
 ● The Nude - Prints, drawings and photographs: nude figures have long appeared in scenes from the Bible and mythology. In this exhibition artists spanning five centuries give their individual interpretations of these figures: Adam and Eve, gods such as Mars and Venus, and many other heroes and saints; to Aug 3

ANTWERP

CONCERT

deSingel Tel: 32-3-2483800
 ● Beethoven Academie: with conductor Philippe Herreweghe and cellist Roel Dierckx in works by Schumann and Beethoven; May 24

EXHIBITION

Koninklijk Museum voor Schone Kunsten Antwerpen Tel: 32-3-2387809
 ● Vlaamse Miniaturen voor Vorsten en Burgers, 1475-1550: exhibition covering the years 1475-1550, a period in which Flemish miniaturists developed a unique style that served as a source of inspiration for many other artists, both in Flanders and abroad; to Jun 22

ATHENS

CONCERT

Athens Concert Hall Tel: 30-1-7282333
 ● Athens State Orchestra: with conductor Woldemar Nelsson and pianist Martinos Triinos in works by Beethoven; May 23

BARCELONA

EXHIBITION

Fundació "Ja Caixa" Tel: 34-93-4588007
 ● Fotopress 97: display featuring entries to this year's photojournalism competition, covering six thematic areas: "Third World Realities", "Epidemics of Our Time", "Towards a New Order of World", "Transition in the Eastern Countries", "A Planet Under Threat From Man" and "Contemporary Rites of Happiness"; from May 23 to Jul 27

BERGEN

FESTIVAL

Bergen International Festival, Norway Tel: 47-55-512170
 ● Bergen International Festival: this year's festival features performances by the Norwegian Baroque Orchestra, the Nye Carla Blanche dance company, Les Musiciens du Louvre, Opera Comique and the pianist Lief Ove Anderson. Opening the festival is the Komische Opera, performing *Erzählungen* by Hoffman, with conductor Shao-Chia Lio. Soloists include Neil Wilson, Dagmar Schellenberger and Jürgen Fraier; from May 21 to Jun 1

BERLIN

CONCERT

Konzerthaus Berlin Tel: 49-30-203090
 ● Rundfunk-Sinfonieorchester Berlin: with conductor Rafael Frühbeck de Burgos in works by Mahler and Tchaikovsky; May 23, 24

OPERA

Staatsoper Unter den Linden Tel: 49-30-2035438
 ● Il Barbiere di Siviglia: by Rossini. Conducted by Sebastian Weigle; May 22

BIRMINGHAM

CONCERT

Symphony Hall Tel: 44-121-2002000
 ● Vladimir Ashkenazy: the pianist performs works by Mozart and Chopin; May 24

BONN

EXHIBITION

Kunst- und Ausstellungshalle der Bundesrepublik Deutschland Tel: 49-228-9171200
 ● Deutsche Fotografie: display of 300 works by 150 German photographers covering different aspects of the medium, including architecture, art, fashion, design, advertising and journalism; to Aug 24

OPERA

Oper der Stadt Bonn Tel: 49-228-7281
 ● Parsifal: by Wagner. Conducted by Jeffrey Tate, performed by the Orchester der Beethovenhalle Bonn and the Oper der Stadt Bonn. Soloists include Harry Peeters, Stephen Richardson and Franz-Josef Selig; May 19

BOSTON

EXHIBITION

Museum of Fine Arts Tel: 1-617-267-9300
 ● Tales From the Land of Dragons: 1000 Years of Chinese Painting: display of 153 rare and ancient paintings from the Tang, Song and Yuan dynasties, including early Buddhist and Daoist religious pieces, many of which have never before been exhibited in public; to July

BRUSSELS

CONCERT

Palais des Beaux-Arts Tel:



'L'esetude', 1912, a woodcut by Jean-Emile Laboureur, on view in the Printmaking in Paris exhibition opening on Friday at the British Museum, London

32-2-5078200

● Philadelphia Orchestra: with conductor Wolfgang Sawallisch in works by Brahms, Schumann and Dvorák; May 23

EXHIBITION

Cabinet des Estampes, Bibliothèque Tel: 32-2-5193311
 ● Jacques Ochs (1893-1971): display of works by the satirical cartoonist, covering 50 years of Belgian and world history, from the Belle Epoque up to the years immediately following the Second World War, an event which had enormous bearings on Ochs' work; to May 24
 ● Musée royal des Beaux-Arts de Belgique - Musée d'Art Ancien Tel: 32-2-5083211
 ● Paul Delvaux: thematically organised retrospective devoted to the work of the Belgian artist featuring approximately 120 paintings and 130 works on paper from international collections. Also on display are a number of letters, photographs, souvenirs and other documents, including 21 of Delvaux's sketch books; to Jul 27

CANBERRA

EXHIBITION

National Gallery of Australia Tel: 61-6-240-8411
 ● The Europeans: Emigré Artists in Australia 1930-1960: display of more than 200 works covering a wide range of media, by artists who emigrated to Australia from the 1930s to the 1960s. Paintings, drawings, photographs and prints, sculpture, ceramics, fashion, jewellery, furniture and architectural drawings are all featured, representing a number of European art movements, including Russian Constructivism, Bauhaus, Wiener Werkstatt and de Stijl; to Jun 9

CHICAGO

EXHIBITION

Art Institute of Chicago Tel: 1-312-4433600
 ● Drawings Rediscovered: Italian Drawings Before 1600 in The Art Institute of Chicago: selection of 15th and 16th century drawings. On display are works by Botticelli, Basso, di Cosimo, Pontorno and a recently identified piece by Raphael; to Jun 22

CLEVELAND

EXHIBITION

Cleveland Museum of Art Tel: 1-216-4217540
 ● Monet, Manet, Whistler: Three Masterpieces: exhibition of two major works from the Museum of Fine Arts in Boston (Monet's 'La Japonaise' and Manet's 'Street Singer') and one from the National Gallery of Art in Washington (Whistler's 'Symphony in White, No 1: The White Girl'); from May 23 to Jun 4

COLOGNE

FESTIVAL

Musik Triennale Köln Tel: 49-221-9257160
 ● Musik Triennale Köln: the 1997 Triennale includes appearances by the Berlin Philharmonic Orchestra, conducted by Claudio Abbado, the City of Birmingham Symphony Orchestra, conducted by Sir Simon Rattle, the Chicago Symphony Orchestra, conducted by Daniel Barenboim, Paolo Alvarez and Liza Minnelli. The opening concert is by the Kölner Rundfunk Sinfonie Orchester, with conductor André Previn performing works by Ravel. The performance takes place at the Kölner Philharmonie; from May 18 to Jun 15

COPENHAGEN

JAZZ & BLUES

Copenhagen Jazzhouse Tel: 45-33 15 28 00

● Betty Carter and Trio: performance by the jazz singer; May 20

DRESDEN

EXHIBITION

Staatliche Kunstsammlungen Dresden - Museum für Sächsische Volkskunst Tel: 49-351-570817
 ● Das merkwürdige Jahr 1848: display of 100 prints chronicling political and military events of the period. Although originally mass-produced only a few sets of the series remain; from May 17 to Aug 24

DUBLIN

CONCERT

National Concert Hall Tel: 353-1-6711888
 ● James Galway: performance by the flautist, accompanied by the pianist Philip Moll. The programme includes works by Marini, Faure, Widor, Bricecchi and Doppler; May 20

EDINBURGH

EXHIBITION

Scottish National Gallery of Modern Art Tel: 44-131-5568921
 ● Contemporary Botanical Paintings from the Sherwood Collection: exhibition of 35 botanical paintings and drawings by artists including Paul Jones, Raymond Booth and Rory McEwen; from May 24 to Jul 13

FRANKFURT

CONCERT

Alte Oper Tel: 49-69-1340400
 ● Kronos Quartet: performs works by Bershoff, Phan, Golljov and Dun; May 24

GENEVA

AUCTION

Sotheby's Genève Tel: 41-22-7328585

● Important Watches, Wristwatches and Clocks: sale including a number of pieces by famous names such as Patek Philippe, Vacheron-Constantin, Rolex and Cartier; May 20

GENOA

EXHIBITION

Palazzo Ducale Tel: 39-10-562440
 ● Van Dyck e Genova - Grande pittura a collezionismo: exhibition examining the years Flemish painter Anthony van Dyck (1599-1641) worked in Genoa. The display features some 40 of Van Dyck's paintings as well as works by artists including Titian, Caravaggio, Rubens, Vouet, Strozzi, Procaccini, Gentileschi and Cambiaso; to Jul 13

GLASGOW

EXHIBITION

McLellan Galleries Tel: 44-141-3311854
 ● The Birth of Impressionism: from Constable to Monet: exhibition featuring over 300 works, setting the Impressionist movement in a social, scientific and historical context, looking at the effects of photography, new paint technology and the coming of the railways on artists including Millet, Rousseau, Courbet, Degas, Monet, Pissarro, Manet and Cézanne; from May 23 to Sep 7

HAMBURG

CONCERT

Musikhalle Hamburg Tel: 49-40-346920
 ● Deutsche Kammerphilharmonie Bremen: with conductor Thomas Hengelbrock, the Freiburger Barockorchester and baritone Matthias Göme in works by Schubert and Brahms; May 21

LONDON

CONCERT

Barbican Hall Tel: 44-171-6364141
 ● Royal Philharmonic Orchestra: with conductor Daniele Gatti and pianist Maurizio Zanini in works by Schubert, Mendelssohn and Strauss; May 23

Royal Festival Hall Tel: 44-171-9604242
 ● Maurizio Pollini: the pianist performs works by Beethoven; May 20

Wigmore Hall Tel: 44-171-9352141
 ● The Roger Trio: pianist Peter Frankl, violinist Gárgy Pauk and cellist Ralph Krashbaum perform works by Beethoven, MacMillan and Brahms; May 19, 21

● The Roger Trio: pianist Peter Frankl, violinist Gárgy Pauk and cellist Ralph Krashbaum perform works by Beethoven, MacMillan and Brahms; May 19, 21

● The Roger Trio: pianist Peter Frankl, violinist Gárgy Pauk and cellist Ralph Krashbaum perform works by Beethoven, MacMillan and Brahms; May 19, 21

British Museum Tel: 44-171-6361555
 ● Printmaking in Paris: Picasso and his Contemporaries: exhibition examining developments in printmaking that took place between 1905 and 1970. Organised as a sequence of episodes the display looks first at the Cubist works of Picasso and Braque, moving on to Matisse, the Surrealists and the post-War work of Soulages and Dubuffet, finishing with pieces by Vasarely, Poliakoff and Manessier; to Sep 30

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

● Janet Nathan - Constructions 1979-1997: retrospective exhibition covering the British artist's work over an 18 year period, charting her preoccupation with river and seascapes, produced using found materials and crafted forms; from May 18 to Jun 8

including works by Masson, Matta, Roth and Hodgkin; to Aug 5

SAN FRANCISCO

CONCERT

Louise M. Davies Symphony Hall Tel: 1-415-8648000
 ● Symphony No.3 in D minor: by Mahler. Conducted by Michael Tilson Thomas, performed by the San Francisco Symphony and the Women of the San Francisco Symphony Chorus. Soloists include mezzo-soprano Michelle DeYoung; May 21, 22, 23, 24

STOCKHOLM

EXHIBITION

Nationalmuseum Tel: 46-8-6684250
 ● Acquisitions from the Stockholm Exposition of 1897: display marking the 100th anniversary of what is still the largest exhibition ever held in Sweden. The Swedish parliament granted the Museum extra funds for purchasing works from the display and a number of these are being exhibited for the first time since 1897; to Sep 1

STUTTGART

EXHIBITION

Staatgalerie Stuttgart Tel: 49-711-2124050
 ● Magie der Zahl - Zahlenspiel und Arithmetik in der Kunst des 20. Jahrhunderts: exhibition focusing on the use of numbers, arithmetic and statistics in 20th-century art. Artists represented include Johns, Warhol, Twombly, Kounellis, Merz, Braque, Dali, Duchamp, Lissitzky, Malevich, Magritte, Miró, Moholy-Nagy, Schwitters, Severini and Tanguy; to May 19

SYDNEY

EXHIBITION

Art Gallery of New South Wales Tel: 61-2-2251700
 ● Giorgio Morandi 1890-1964: the first exhibition of Morandi's work to be held in Australia, featuring 31 paintings and 60 etchings. The Italian painter specialized in still lifes made up of common objects such as bottles, lamps and cans, working with subtle combinations of colour that produced an overall feel of serenity; to Jul 13

VENICE

CONCERT

PalaFenice Tel: 39-41-786511
 ● Philadelphia Orchestra: with conductor Wolfgang Sawallisch and violinist Frank Peter Zimmermann in works by Schumann and Brahms; May 21

VERONA

EXHIBITION

Museo di Castelvecchio Tel: 39-45-594734
 ● India: Antiche Miniature a Dipinti: the first ever public display of 90 Indian miniatures dating from the 16th-19th centuries, drawn from the personal collection of Sir Howard Hodgkin; to Aug 3

VIENNA

CONCERT

Konzerthaus Tel: 43-1-7121211
 ● Camerata Academica: with conductor Alexander Janiczek, violinist Christian Tetzlaff and cellist Tanja Tetzlaff in works by Haydn and Mozart. Part of the Nationales Musikfest der Wiener Konzerthausgesellschaft; May 21, 22
 ● Musikverein Tel: 43-1-5056681
 ● Falcitelli Lot: performance by the soprano, accompanied by the pianist Roger Vignoles. The programme includes works by Schubert, Mendelssohn, Brahms, Chabrier and Britten; May 24
 ● Wiener Staatsoper Tel: 43-1-514442960
 ● Die Wiener Philharmoniker: with conductor Riccardo Muti and soprano Solle Ingeborg in works by Stravinsky and Mahler; May 18

WASHINGTON

EXHIBITION

Arthur M. Sackler Gallery Tel: 1-202-357-2700
 ● The King of the World: A Mughal Manuscript: display of the Padshahnama Mughal manuscript documenting the reign of Emperor Shah-Jahan, the fifth ruler of the Mughal dynasty who ruled from 1628 to 1658 and commissioned the construction of the Taj Mahal and the great forts of Delhi and Agra. The manuscript was presented to George III in 1797 and has rarely been seen in public since; from May 18 to Nov 2

Corcoran Gallery of Art Tel:

1-202-638-3211
 ● Joshua Johnston "A Self-Taught Genius": An African American Portrait Painter: display tying in with the Corcoran's "The Peale Family" exhibition by examining the work of the portraitist Johnston, who until recently was assumed to have been a slave of the Peales' household; from May 21 to Aug 9

ZURICH

OPERA

Opernhaus Zürich Tel: 41-1-268 6666
 ● Don Pasquale: by Donizetti. Conducted by Nello Sanzi, performed by the Oper Zürich. Soloists include Isabel Rey, Ruggero Raimondi and Reinaldo Macias; May 19, 21

Listing selected and edited by ArtBase The International Arts Database, Amsterdam, The Netherlands. Copyright 1997. All rights reserved. Tel: 31 20 664 6441. E-mail: artbase@pl.net

Weekend Investor

Wall Street

Rough ride aboard Flight Dow 8000

Investors seek comfort in the relative safety of blue chips, says Jane Martinson

Investors could be forgiven for feeling a little sick this week. Travelling on Flight Dow 8000 they have been buffeted sideways by each piece of economic data and pocket of inflationary air while heading ever skyward.

The Dow Jones Industrial Average, the blue-chip indicator, broke two all-time closing records and rose 2.3 per cent to 7333.55 in four days this week (based on Thursday's closing price). But the upward flight was hit by intraday falls of such dimensions that on several occasions they prompted "tick" rules, intended to prevent huge swings.

A raft of economic figures and a hawkish speech from one of the Federal Reserve presidents were behind these seesaw movements. Acute sensitivity has enabled data which is typically ignored to make prices wobble, as witnessed by the market's fall when a regional survey on the south-east showed better-than-expected growth.

The main reason for this volatility is that the market is anticipating Tuesday's meeting of the Open Markets Committee of the Federal Reserve Board. The key meeting is set to decide whether the strength of the economy merits a second interest rate rise this year.

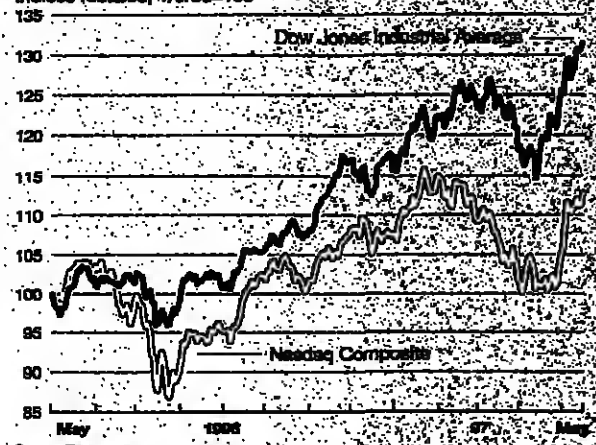
Abby Cohen, the influential co-chair of the Goldman Sachs investment committee, says that market volatility has roughly doubled since February when it became more obvious that Alan Greenspan, the Fed chairman, was considering further rate rises. "We are still in a volatile and choppy trading range with investors responding to small bits of data and waiting to see how it works out," she says.

Unlike March, when the Fed engineered 1997's first rates increase, the market is split over whether rates will go up again. Conflicting economic data combined with more than usually Delphic statements by Greenspan have given sustenance to both sides of the debate.

What has surprised most observers is that, in spite of the volatility and the lack of consensus over the rate rise, the market has continued to soar to new heights. David Ader, director of fixed income for Technical Data,

Blue chips in the lead

Indices released, 1/5/98-100



Source: Datastream

the financial services group, says: "I frankly admit, I am surprised and impressed by the market's ability to trade as well as it does."

Strategists are sharply divided into bullish and bearish camps in their explanations for both the volatility and the upward trend. In outline, the former believe that economic data should support sustained growth with or without a rate rise on Tuesday and that volatility is to be expected.

While few strategists believe that the Fed's decision will cause anything like the havoc it did in 1994 with its first unexpected rates rise, Warren Epstein, director of trading at Rosenblatt & Co, is extremely bullish when he says, "more than any other meeting, this one is a non-event".

Cohen believes that Greenspan will take a pre-emptive stance and lift rates once more on Tuesday. However, she believes the Dow will stay in a "trading range" of between 6500 and 7000 whatever happens. "The risk is that we spend more time here but there is not a significant risk of price decline."

Against this backdrop analysts argue that the volatility is to be expected and not only because of Tuesday's meeting. They point out that the Dow's record-breaking levels make large point rises more normal while the previous two years of steady economic growth has lulled investors into a false sense of low volatility.

Cohen says: "It seems abnormal to investors but we had abnormally low vola-

tility for a long time."

Michael Metz, chief investment strategist at Oppenheimer & Co, takes the opposite view. His concern about the market's ability to "strut off every bit of negative news and go ever higher" this week is based on a belief that the euphoria is based on "short-term performers following the crowd".

Amid this disagreement investors appear to be trying to head off uncertainty with a flight to the relative safety of blue chips. Metz believes that investors who are nervous about the market's volatility and cannot remember previous choppy periods think they are taking safe bets with the big companies.

The trend for big companies to significantly outperform smaller ones has intensified since February, as witnessed by the relative performance of the Dow and the Nasdaq composite index, where smaller technology stocks have brought down the average.

Metz also believes that the Fed is likely to raise rates and, if it does, the companies to suffer will be the blue chips.

If so, the safe landing investors were hoping for after Tuesday by travelling in a Jumbo rather than a light aircraft could be bumpier than expected.

Dow Jones Industrial Average

Monday 7297.79 125.22

Tuesday 7274.21 48.54

Wednesday 7293.48 11.57

Thursday 7333.55 47.08

Friday

London

A love affair with Labour

Philip Coggan watches as Footsie finds romance

Anthony and Cleopatra, Romeo and Juliet, Labour and the City of London. Love affairs that will go down in history. If only Labour had been in power for the past 18 years, who knows how high the FTSE 100 index might be?

The index has risen from 4,445.0 on election day to 4,693.9, an all-time closing high, last night. Most people thought that a Labour victory was discounted by the markets long ago. But few can have expected such an enthusiastic reaction to a Labour landslide.

A large part of the rally can be attributed to the decision by the new chancellor, Gordon Brown, to give the Bank of England power to set interest rates. At a stroke, that has reassured the markets about Labour's economic policy, reduced inflationary expectations and revalued gilts.

One of the recurring fac-

tors in this long haul market popped up again this week: takeover activity. The planned £23bn-plus merger between Guinness and Grand Met not only lifted the stocks concerned but also provoked investors to search around for other potential bid targets. Moreover, the merger will result in a £2.4bn payout to shareholders, which is likely to be reinvested in the market.

Further bids certainly would help to maintain the bull market's momentum; otherwise, investors may well be tempted to take a breather until they see what Brown proposes next month in his first Budget.

The big issue for the corporate sector seems to be whether Labour will act to raise money, and discourage high dividend payments, by changing the tax regime. The long-term economic justification for a change is that UK companies pay out too much of their earnings to

shareholders in the form of dividends, instead of reinvesting their profits to grow their business. But the short-term argument is that the government needs to raise taxes to reduce the Budget deficit, and would rather not annoy the voters by hitting consumers.

One story circulating in the City this week was that, instead of cutting the dividend tax credit to pension funds, the government might restrict the amount of advance corporation tax (ACT) that companies can reclaim. As this is such an arcane field, it is worth explaining the system.

When companies pay dividends to shareholders, they pay tax (at a rate of 20 per cent) to the government. This tax payment can be offset against the corporation tax they pay on their profits; hence the name "advance corporation tax".

For shareholders, this means their basic tax obliga-



Love's labours: few can have expected such a reaction

tions are assumed to be met (higher-rate taxpayers face an additional bill). But non-taxpayers, such as pension funds and personal equity plan-holders, can reclaim the equivalent of ACT from the Inland Revenue. On a net dividend of 5p a share, they can now reclaim 2p.

Mark Tinker, UK strategist at UBS, says one possibility is that "the authorities could simply restrict the company's tax credit to, say, half the existing rate or, more elegantly, lower the limit of ACT reclaimable from 30 per cent of profit before tax to 10 per cent".

He adds: "On this basis, companies would find that the more they distributed, the higher would be their gross yield unchanged."

The attraction of this approach is that it would not affect the value of pension funds in the eyes of actuaries. The alternative approach of reducing the tax credit would cut the actuarial value, with the result that some funds might be pushed into deficit. They would then have to call on their corporate parents to pay contributions to make up the deficit.

But Tinker argues that "high-yielding/low-growth stocks would find their tax rates affected and many might have to cut their dividends". That would cause particular damage to a number of stocks and might frustrate investors who follow

long-standing stockpicking strategies based on dividend yield.

It also seems likely that such a tax change would slow the rate of overall dividend growth in the long term and, to the extent that it did result in an extra tax burden on the corporate sector, would have a negative effect on the overall level of the market.

Tinker points out that companies might try to find alternative ways of distributing income, such as share buy-backs; the rocket scientists in the corporate finance departments of investment banks would no doubt get busy devising products which converted capital gains into income for those companies which still desired it.

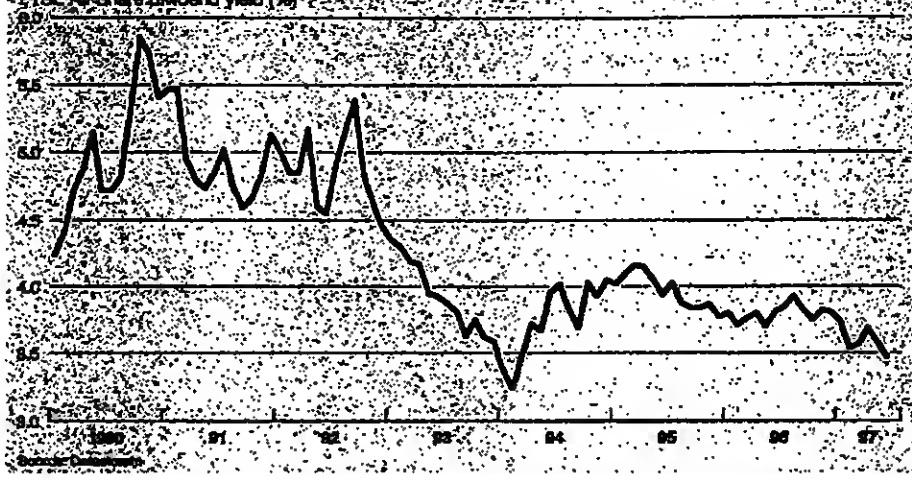
FOOTNOTE: In April last year, the Weekend FT ran an article on the PEG stock-picking system. This was devised by Jim Slater, using the material in Company REFS published by Hemmingston-Scott.

Since newspapers often point out when such systems fail, we should report that the seven stocks selected by the system rose by an average 29.5 per cent, well ahead of the All-Share's 11.8 per cent rise over the same period.

Indeed, that is probably an under-estimate since one of the selections, Southern Water, was taken over in mid-year and the calculation does not allow for any reinvested income. Of course, just because it works for one year...

Deposits under threat

FTSE 100 Share dividend yield (%)



Highlights of the week

Company	Price	Change	52 Week High	52 Week Low
FTSE 100 Index	4693.9	+43.0	4723.7	3612.8
Bank of England	125.22	+0.18	125.40	124.04
British Airways	780	+61	783.5	454
British Petroleum	140	+14.5	149.5	134
Burnley Group	140	+14.5	149.5	134
Debenhams	569.4	+58	578	424
Glaxo Wellcome	1293	+83	1297.5	818.6
Grand Metropolitan	568	+53	573	411.6
Guinness	567	+50.5	615	424
Independent	445	+36	477.5	373
Laporte	680	+22.5	736	323
Renfild Int'l	459	+49.5	482.5	330
Safeway	369	+21	430	314
Sunderland	136	+19.5	145	41
Wood (John D)	136	+19.5	145	41

EAST EUROPEAN BUSINESS LAW

Whether you already operate in Eastern Europe and need to know how new laws affect your business, or you are considering starting a business there and need to weigh up the pros and cons of setting up, you need to subscribe to **East European Business Law**.

Every month, **East European Business Law** provides coverage and analysis of:

- New legislation
- Court decisions
- Rulings by administrative/regulatory bodies
- Law reform measures
- International agreements
- General legal news
- The range of legal services

To receive a **FREE** sample copy, contact:
FT Financial Publishing, Maple House,
149 Tottenham Court Road, London W1P 9LL, UK
Telephone: +44 (0) 171 896 2286
Fax: +44 (0) 171 896 2319



FINANCIAL TIMES
Financial Publishing

Barry Riley

Down but not quite out

Inflation has the capacity to come back slugging



Bullseye! Britain's inflation rate (excluding mortgage interest rates) floated down to the top of the target range at 2.5 per cent in April. No matter that inflation has dipped to 1.7 per cent in Spain and 1 per cent in France; the UK is back on course, after exceeding the target for more than two years.

Certainly, the financial markets have become more optimistic about inflation since the Bank of England was given operational responsibility last week for setting short-term interest rates. Conventional gilt-edged yields have tumbled compared with those on index-linked gilts, implying that inflation expectations have fallen 0.5 per cent.

Yet, the Bank itself remains uneasy, according to Tuesday's quarterly *Inflation Report*. Inflation's recent decline has been helped by the unrepeatable appreciation of sterling (by 20 per cent against the D-mark, for instance, in 12 months). If sterling holds steady, suppressed inflation will gradually work through again. If the currency should actually tumble back again, the surge in prices would obviously be more severe. The Bank's central estimate of underlying inflation in two years' time is about 3 per cent, but it thinks there is roughly a one-in-10 risk of 5 per cent.

Certainly, a lot of money is sloshing around, with the potential to cause trouble. Broadly-defined money has been growing at 13 per cent annualised during the past six

months. This is twice as fast as would be comfortably consistent with present economic growth and inflation. Too much money chasing too few goods was the old schoolbook explanation of inflation. Fortunately, there are plenty of physical goods around right now, but other commodities and services are in shorter supply.

Share prices, for instance, are up 18 per cent in a year. This

statistically speaking, the answer you come up with might be a lemon.

Probing into the fruit salad, the services sector of the domestic economy seems quite close to overheating. The average achieved by 12 per cent in a year, for instance, and services sector inflation as a whole has risen noticeably since last summer to about 3.5 per

The Bank of England must beware of shocks that might trigger the latent inflationary potential

kind of inflation of financial assets is normally regarded favourably because it makes people richer rather than poorer, but new investors should not see it that way because they are receiving much worse value. Similarly, house prices in Greater London are up 17 per cent (and by much more in such fashionable areas as the Blairite heartland, Islington). Again, if you want to buy a certain level of investment income through the gilt-edged market it will require a capital sum 17 per cent higher than 12 months ago.

Inflation is, therefore, alive and vigorous but it is not, at present, to be discovered on a significant scale in the particular basket of goods and services that is measured by the official retail prices index. However, constructing indices of inflation is more of a conjurer's art than a rigorous science. If you add apples and oranges,

cent while goods inflation has tumbled to about 1.5 per cent. True, the more extreme fears about price rises in the services sector eased this week when official estimates of 5 per cent pay inflation were downgraded to 4.75 per cent. All the same, the UK labour market is tightening quite quickly.

Goods prices, however, are subdued the world over. British factory gate prices have risen only 0.8 per cent in a year and, in fact, they have dropped by 0.6 per cent in the US. Some big productivity gains are being exploited and commodity prices - especially for energy - have been subdued recently. Global competition has become a powerful factor in many industries.

So, is the Bank of England too hawkish about inflation, and over-owed by its own new responsibilities? It does not seem to share all the optimism of the

financial markets, which have been inspired by global research showing that central bank independence is correlated strongly with low inflation.

Of course, the markets are making a long-term judgment which, anyway, does not fit within the Bank's two-year forecasting horizon. But the crowds in the markets are too pleased easily by dramatic gestures. They loudly cheered both the UK's entry to the European exchange rate mechanism in 1990 and the subsequent chameleonic withdrawal in 1992. They did not think clearly enough about the need for adjustment.

Coming up to date, the Bank committee's power to set interest rates will count for little if it cannot establish a working relationship with the Treasury over fiscal policy, and if it cannot regulate the financial system to prevent credit and the money supply rising persistently faster than in other countries.

Meanwhile, the Bank must beware of shocks that might trigger the latent inflationary potential. One might come from the demand effect of this year's demutualisation windfalls, now further inflated - the Bank has nervously calculated - to a value of £28bn. Another might emerge from the puncturing of the sterling bubble. Thirdly, commodity prices could surge as the global economy accelerates. Three miles away in Islington, though, home owners hope the Bank will not be too successful. They have a different target, at least for house prices.

Offshore managed funds and UK managed funds are listed in Section One

FT WEEKEND

True Fiction

A duty-free shop in every foyer

James Morgan went to a Norwich theatre to see how the future will be financed

Sandra Cass has been given the most crucial role in the New Britain. She has been told to "think the unthinkable, sink the unsinkable and drink the undrinkable" in Tony Blair's Stainless Steel Kitchen Cabinet.

Her credo runs: "A Tony Blair British government should leave no idea unconsidered, no white elephant unshot, no slate paving stone unturned." Her first scheme has already been tried out. But few know it.

Let me begin at the beginning, for I am pleased to have played a minor but manipulative role here.

Shortly before the recent general election, I found myself in the company of Cass and we fell to discussing the strong views of the Scotch whisky industry, which had been fretting over the future of an integral part of our heritage, duty-free shopping facilities at British airports.

The Scotch people argued that a Brussels directive abolishing tax-free shopping for anyone

travelling within the European Union would lead to a loss of government revenue. And, importantly, what other treat could distract frangible passengers waiting for delayed flights?

Some may be surprised that careful calculations show the government might lose out by doing away with duty free. They would be unaware that Arthur Laffer convincingly demonstrated more than 20 years ago how revenues diminish as tax rates rose, and how the converse was also true and significantly more pleasant.

But even that gifted economist did not suggest that a tax rate of zero could increase receipts.

Yet the facts of duty-free shop-

ping are simple. One buys items which, in normal circumstances, one would never contemplate: a bottle of Classic Confederate Tennessee bourbon perhaps; 200 Havana cigars made in Belize; a macrame brooch tricked out with silver and topaz for the wife; and a half-litre of Nut d'Amour for the mistress.

The store makes a huge profit, the airport charges a huge sum for the franchise, the government gets a huge slice of the profits. But, remove the privilege, end the concession, and you are pulling at the thread that could bring down capitalism.

Cass described that prospect as "the doomsday scenario at

the heart of the black hole in the government's finances". She was charged with finding new sources of revenue, to plug gaps and to bolster some of the New Government's favourite schemes. The biggest problem was finding cash for arts and education, as the idea of plundering the lottery scratch-card pot had not been well received.

So, during the election campaign, Cass drew up a paper which has been the talk of every insider's dinner party from Downing Street to Islington and Hay-on-Wye at the weekends. She wrote: "The concept of 'zero fiscal' is one that has been entirely overlooked in the now widespread literature on revenue

enhancement. Not only that, its capacity to reduce the burden bearing down on public expenditure has never been examined."

I am glad to say that the first experiment was a huge success, though the wider public is yet to be told.

Back in January, East Anglia Arts Collective (EAAC) put on a season of modern Albanian opera. The project would support the cultural revival of a hard-pressed country where the arts receive little attention.

There was also a need to give Albanian artists and creators wider exposure. And it was felt that the British public was insufficiently familiar with many aspects of contemporary

Albanian culture - whether of the communist era or post-1990.

So EAAC decided to support productions of the work of the prominent composer, Bashi Fato, who was born in Albania's second city, Durrës, in 1953. When only 30 he wrote a remarkable piece entitled *The First Savage Farm*, which officially celebrated the achievements of socialism but appeared to many as a veiled satire on the country's Stalinist dictator, Enver Hoxha.

But EAAC banked at the cost of staging what was a lavish production - three top-class tenors and a chorus of 100 farm workers. Yet, last week this five-hour work played to full houses

at the Theatre Royal, Norwich, even though the cheapest ticket cost £35.

And the stars of the show? The duty-free shops in what had once been the theatre's bars. They opened one hour after the performance started and closed 40 minutes before the end. Interval was extended to an hour.

Cass secured me a pass for the third night. Happy opera-goers emerged with bags packed with bottles of Black Label, cartons of Milk Tray chocolates, bottles of perfume and finely worked porcelain models of 18th century milkmaids.

Cass was delighted with the budgetary implications: "We shall now install similar facilities in the British Museum, the V&A and various provincial art galleries. We will mandate intervals of at least 70 minutes and, for the sake of Brussels, opera tickets will now be known as boarding passes."

James Morgan is economics correspondent of the BBC World Service.



Metropolis

Murderous crowds in the melting pot

The other morning, a man kicked me on the shin. Then he kicked me again. If I had had a dagger in my handbag I might have shot him between the eyes, such was my crossness. But we were locked so tightly together that only a feat of magical dexterity would have permitted me to transfer the pistol from bag to palm and blow him away.

He had kicked me accidentally. He was trying to turn round. We were travelling on the London Underground, and had reached his station. The time was 10.50am - not exactly the rush-hour. Yet our train was so packed that the man, who had been wedged against me, missed his stop. A ruffian he was not. He was a pin-striped thirtysomething with an alligator briefcase. And he apologised for kicking me.

You do not need to be a social scientist to see that central London is getting crowdier and jostlier. People who live and work in London feel increasingly harassed.

Practically every day, as they go about their business, they find

As more people battle for space in London, Michael Thompson-Noel imagines a new class of homicide

themselves humped off pavements, blundered into department stores, shoved up and down escalators and extruded on to Tubes and buses. Where will it all end? That is what I wonder.

London is an outstanding city. On a number of criteria, most fair-minded cosmopolites would rate it among the world's top four or five cities. Overall, it would be hard to claim that London did not rank among the world's top seven or eight cities.

Last October, announcing an advertising campaign to promote "a more modern and vibrant image" of London among affluent urban professionals in six US cities, including New York, Chicago and Los Angeles, the London Tourist Board's managing director said his research was telling him "that the average American [thinks] of London as a bit of a living museum, where in fact we are now firmly at the cutting edge of fashion, eating out and nightlife".

London is the world's arts and cultural capital. Almost no one argues with that. It has become

an international centre of style and of cuisine. It knows how to party: London has in excess of 11,000 restaurants, wine bars, clubs and pubs. It has more than 1,000 hotels, some of them among the world's most distinguished, and more than 30,000 shops, from big to small. And London is what the Department of National Heritage, in fatigued heritage-speak, calls a "melting pot": 33 different national communities of more than 10,000 people each.

Bully for London. But it has its problems, some of them common the world over, such as looming traffic gridlock and unacceptably high pollution, especially NO_x and SO_x emissions. Yet the extra crowding now afflicting London is caused by the success and fashionableness which those who market it so ardently to overseas visitors proclaim so vigorously.

Not that London hasn't almost always been crowded. Perhaps all cities, most of which used to be girt by walls, have always felt crowded, for cities are magnets. They are supposed to attract crowds. Cities that repel crowds

tend to be in their death throes.

A man who knows London well is A.N. Wilson, a novelist and biographer, who says those "who would see suffering at first hand could do worse than pace the streets of London. This is not because there are so many poor

Skilled marketing of the capital is sucking in more and more people

people: it is simply because there are so many people."

London is not a great capital city in the planned, grandiose sense of Paris, Rome or St Petersburg, he says. It has evolved haphazardly. No despot was ever in a position to raze London and start again. The Great Fire of 1666 put an end to plague, pestilence, over-crowding, crime and

vagrancy for a while. But then the same capitalistic processes that had caused its pre-1666 problems appeared once more, making London "grossly richer, miserably poorer, ever larger".

London has not been much of a royal place, nor, in essence, an aristocratic one. "Its grandees," says Wilson, "have been merchants and businessmen; its *raison d'être* has been commerce; its flavour unashamedly bourgeois." Very largely, he maintains, it has been inhabited by "nobodies".

And nobody is in charge of it today. There is no single, elected, city-wide authority running London. Rightly or wrongly, Londoners attribute the growing transportation horrors that afflict them to the former national Conservative government's abolition of the Greater London Council in 1986. However, the UK's new Labour government plans to revitalise the running of London.

When they are not fuming in their cars, Londoners clomp, with difficulty, into dinkily - even dangerously - cramped Tube stations and trains. Years of under-

investment (many reckon) have pushed the Underground towards collapse. Yet passenger numbers are swelling. Fifteen years ago, there were 496m passenger journeys on the Tube in a year. In 1988-89: 815m. Then the number fell, because of recession and increases in real fares. But it is frisking higher again. In 1995-96, there were 784m passenger journeys on the Tube.

Crowding can be fine when people seek it out. In London, crowding is mainly concentrated in the West End, where theatres, restaurants, pubs and nightclubs are most numerous. On Friday and Saturday nights, London's crowding is animalistic and arousing, or just exciting (unless you get a beer glass in your face).

But all the while, skilled marketing is sucking in more and more people. Total visitors to London four years ago numbered 17.4m, including 10.2m from overseas. This year, 26.1m visitors are expected, including 15.2m from overseas. They'll spend an estimated £8.63bn, all but £1bn of it

accounted for by those from overseas.

Yet London wants more. "We must market London imaginatively and aggressively if we are to outpace the fierce competition from other world cities," said the London Tourist Board last autumn.

Where will it all end? I have lived and worked in London for 28 years, and I reckon that things will get a lot stickier (global warming) and crowdier (slick marketing and clapped-out infrastructure) before they improve. They may even get perilous.

Soon, the police may recognise a new category of homicide: trivial murder. Serious murder would still be a problem. But trivial murder might prove contagious. It would be a trivial murder if a man travelling to work on the Underground shot a fellow passenger with a derringer because the second man, frantic not to miss his stop, kicked the first man on the shin while attempting to turn round in order to exit the carriage. And then kicked him again.

Trivial murder. It might become a trend.

Arcadia

United with my little black rock

Paddy Linehan enjoys VIP treatment for a return trip to his gold mine in Kazakhstan

I own part of a gold mine in the north of Kazakhstan and a small house in the south of Ireland. These are my only pieces of real estate so I have to take good care of them. I worked hard at the place of ground around the house. I developed a nice vegetable plot and was even growing asparagus. I put in a pond and rare miniature conifers and in the evening I relaxed with the FT and watched my gold shares grow.

They did. Dramatically for a while. Then they plummeted. They were the only shares I had ever owned and I didn't know this kind of thing happened. I phoned the broker I had bought them from. I thought there may be something one can do, like if you buy goods you are not satisfied with. She said: "You should have set a stop loss price."

I didn't know what she meant and when I found out there was not a lot I could do. I decided to look into what was happening. The shares had lost two thirds of their value - there had to be a reason.

First, I found out where the mine was. It was in a place called Kazakhstan. Strange spot. Hard

to find on the map though it's the ninth highest country in the world and formerly part of the Soviet Union. Nevertheless I would go there. After a lot of asking around, I found a very cheap flight in a bucket shop. The aircraft was going to India so I had to get off at Tashkent in Uzbekistan. I then had to go on a 24-hour overnight bus journey to Almaty the capital of Kazakhstan, another flight, a helicopter ride and an arduous journey in a Lada driven by a huge, rough man called Sergei before I got anywhere near the mine.

On arrival I was greeted by a 7ft Kazakh guarding the gate. We had a serious altercation which resulted in him telling me in Russian to "go home you foreign dog" while brandishing his gun. I don't normally give in to bullying but the gun helped convince me

to concede defeat.

Defeat was not complete however. Soon after my return I received a phone call from a man who owns the biggest share of the mine. He was an absolute gentleman and said he had heard about my aborted visit, then invited me over saying he would tell me everything I wanted to know. He also reassured me that my shares were not a bad buy. "They'll come good," he opined.

I told him I couldn't go just then because of the asparagus. But he understood, saying he would not recommend winter time either because of the weather. So we decided on Easter.

This time, I travelled on a big-name airline flying by Germany. At Almaty airport I was met by a man called Sergei and whisked off to the VIP lounge. This Sergei

was blonde, polite and a linguist, not a bit like the last Sergei with the Lada. Sergei 2 also had a four-wheeled drive vehicle and a driver.

I decided to look enigmatic in the VIP lounge where Sergei bought me a drink and took my documents to do all that nasty dealing about luggage and visas. He then took me to a magnificent marble hotel. My room was wonderful - the porter opened the door with a plastic card, which he also slotted into the wall. The room instantly knew everything about me. It talked. The TV came on automatically and said: "Bak-yrchik Gold welcomes Paddy Linehan to Kazakhstan..." Bak-yrchik Gold is the name of my mine. It told me that I was booked on to another flight the next day to Oust Komenogorsk, close to the mine.

The next day a car duly arrived with a director on board. I'm not used to talking to executives and as a small investor in the mine felt a little intimidated. But the chap was ordinary enough. He got down to business and on the way to the airport explained all the little things that had been worrying me.

"The shareholders are our concern. Big or small we listen to everything they say." He explained all the problems they had at the mine and the steps they took to correct them. By the time we got to the airport I was pretty well briefed and felt my investment was in good hands.

After the flight I once again had to travel some way by car to reach the mine. The terrain ranks among the most hostile on earth but this time I travelled in a Land Cruiser and not a Lada,

and not with Sergei the driver swearing every time a piece of the Lada spun off into the infinite steppe. Then it had been a punishing 40°C, but this time it was well below zero. I nostalgically kept a look-out for nine-month old bits of Lada but didn't spot any. And although I relished the luxury of the Land Cruiser, I couldn't help feeling a little sentimental about my first trip and all those wonderful Russian expatriates I had learned from Sergei. I considered reminding with the smooth executive and the driver but thought better of it - they wouldn't understand.

As the car drew nearer to the mine entrance I felt a slight sense of trepidation - the gun-toting guard was still on duty. This time, however, it was his hand he was brandishing, through the car window to shake

with mine. Although I couldn't quite translate what he was saying, I sensed I was no longer a "foreign dog". "A man's got to do what a man's got to do," was probably the gist of it. And he was right. I stayed three days.

On the third day, I visited the Gold Face. After travelling 5,000 miles to see it, the long downward trek with a flash light bobbing on my forehead seemed little trouble. The gold wasn't quite stacked up in blocks like Fort Knox but a good scattering of it could be seen among the black rock. My guide picked up a lump of rock and to my surprise handed it to me saying: "Here you are Paddy, a souvenir of Bak-yrchik Gold." I was overcome.

The lump now sits on my desk. It's not that impressive, not to those who ask "what's that lump of coal doing on your desk?"

But when the sun shines on it, it twinkles at me and I smile back. We went to a lot of trouble to be united.